FBIS DAILY REPORT

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INDRA ADDRESSES WARSAW PACT PARLIAMENTARIANS

AU091835 Prague RUDE PRAVO in Czech 3 Jul 87 pp 1, 8

[Report on speech by Alois Indra, chairman of the CSSR Federal Assembly, to chairmen of parliaments of the Warsaw Pact states in Warsaw on 2 July: "For Closer Cooperation" -- passages between slantlines published in boldface]

[Text] Warsaw (our correspondent and CTK) -- The meeting of the chairmen of parliaments of the Warsaw Pact member states continued in the Hall of Columns of the Polish Sejm in Warsaw on Thursday [2 July], Thursday's debate was addressed, among other speakers, by Alois Indra, chairman of the CSSR Federal Assembly.

The participants in the meeting devoted themselves to the role of parliaments in strengthening all-round, allied cooperation and the integration of the countries of the socialist community. They also discussed new forms of the socialist countries' interparliamentary cooperation. Proposals concerning parliamentary cooperation in Europe were also dealt with in the discussion.

A. Indra said that the 70th anniversary of Great October is this year's determining event. He noted that the Great October Socialist Revolution has favorably influenced the history of mankind -- the era of a new civilization began with 7 October 1917.

The CSSR Federal Assembly chairman stressed that at the May session of the Warsaw Pact's Political Consultative Committee in Berlin, the highest representatives of the socialist countries assessed the positive aspects as well as the pitfalls of the current international situation, and formulated tasks in the endeavor aimed at relaxing international tension and at disarmament. The adopted documents contain standpoints and proposals which, in particular, are linked to the package of innovative Soviet peace initiatives, which the CSSR also actively supports. In the Federal Assembly we feel we have the duty to strive to clarify them, and assert and implement them. To this end we have been using all opportunities, in particular with representatives of nonsocialist parliaments, as well as the forum of the Interparliamentary Union.

/Again and again we are ascertaining that the new approaches, the new thinking, are making only slow progress and encountering great obstacles from official representatives of bourgeois circles./ The most aggressive imperialist "hawks" do not want to abandon the old anticommunist sterotypes, especially about the "Soviet threat." They do not want to abandon illusions about the possiblity of achieving superiority and militarily resolving to their advantage the historical conflict between capitalism and socialism. Many of them still cannot imagine a world without nuclear and other weapons of mass destruction. And to justify such a regrettable and dangerous stance they frequently invent absurd arguments. According to them, the preservation of these weapons is allegedly a guarantee of peace! This is obvious evidence of class blindness, connected with defending the interests of the military-industrial complex!

/The revanchist and neofascist forces' attempt to cast doubt on the borders of European countries also serve these plans./ In this they are, unfortunately, also supported by official West German representatives, by the latters' participation in their actions, and the repeated assertions about the alleged openness of the "German question." [paragraph continues]

This poisons the atmosphere in Europe and is at variance with the interests of detente and security, with the spirit and letter of the Helsinki Final Act. The FRG Government's demand to keep the 72 Pershing-IA's and exclude them from the impending [rysujici se] Soviet-U.S. agreement on medium-range missiles and operational-tactical missiles also belongs in the category of concrete obstacles to the process of building peace. /This is a demand which could block the Geneva negotiations completely. After all, it is obvious that if the aforementioned missiles belong to the FRG, the treaty banning the proliferation of nuclear weapons has been violated. If they belong to the United States, then they must be included in the Soviet-U.S. treaty. This problem is of exceptional importance to Czechoslovakia. Those 72 Pershing-IA's directly threaten our security, and leaving them on the territory of the neighboring FRG could make the elimination of the operational-tactical missiles stationed in our country impossible./

It is, of course, fortunate that in the course of a number of negotiations we have ascertained that in the West the number of those who comprehend the problems and the needs of the present is also growing. This is the result of the dynamic, coordinated foreign policy of the countries of the socialist community. And I do not even have to mention that -- through its comprehensibility -- the policy of the USSR and its allies has been meeting with an ever greater echo among broad strata of the Western countries' populations.

Now we have to concentrate our efforts on not wasting the exceptionally important chance to conclude a Soviet-U.S. treaty on the elimination of medium-range missiles and operational-tactical missiles in Europe; a Europe which has already twice been the detonator of World Wars, which is oversatiated with weapons of mass destruction, where the armed forces of the Warsaw Pact and NATO are on the line of contact.

/We are convinced that other steps, such as establishing nuclear-free and chemical-free zones, would also help to improve the situation./ We ourselves are the co-authors of such initiatives for central Europe, and we also support similar proposals for other parts of our continent and elsewhere in the world.

/We support everything that helps to deepen the Helsinki process in all "baskets." Without ignoring the other problems in the least, we regard issues of a political-military nature to be the most important ones./ We attach great importance to economic cooperation and have proposed the convening of the appropriate forum in Prague. We support the Soviet Union's proposal to hold a conference on humanitarian questions in Moscow, and also the initiatives of the other fraternal countries.

The Czechoslovak delegation believes that the /current state of coordinating the foreign activity of our parliaments needs to be further deepened./

World socialism has found itself in a situation when -- for known internal and external reasons -- it has to set itself bolder and qualitatively higher objectives. The CPSU, just as in the past, is also today fulfilling the role of a vanguard by determining and elaborating the strategy of restructuring all spheres of socialist society's life. /The Czechoslovak Communists and the entire National Front fully identify with that line./ We are creatively implementing it in our conditions on the basis of the conclusions of the 17th CPCZ Congress and the follow-up sessions of its Central Committee.

We are aware that the /exacting tasks facing us can be fulfilled only in closest cooperation with the other fraternal countries,/ especially the Soviet Union. [paragraph continues]

The economy, of course, is of decisive importance. On this depends the satisfying of society's growing needs and also the definite victory of socialism over capitalism. Therefore, we also put such great emphasis on the realization of the Comprehensive Program for Scientific and Technical Progress of the CEMA Countries Through the Year 2000, on establishing direct production relations, on setting up joint ventures and scientific-technical associations, and so forth.

In the CSSR Federal Assembly we are paying increasingly great attention to these problems, especially in the control and legislative activity, but also in our contacts with fraternal parliaments. /Our energetic activity in this respect must be systematic and ever deeper, more qualified, because this is the cardinal question of the future of socialism.

/In our country, too, we have arrived -- as we had to -- at the logical conclusion that the strategy of acceleration outright requires the activation of the people, the deepening and the perfection of socialist democracy, of the entire political system./ Therefore, new, more exacting demands are also being made on the activity of our representative agencies, including the Federal Assembly. In the present stage this concerns, above all, legislative activity. The situation outright demanded the elaboration of drafts of new laws on the agenda and on deputies' duties and rights. /In themselves the restructuring of the economic mechanism, the new position of the center on the one hand and of enterprises on the other hand, and the fundamental changes in socialist planning will enforce the preparation and adoption of a number of new laws of fundamental importance in a relatively short span of time./ Here the existing methods and approaches, especially from the side of those submitting the draft laws, will definitely not be enough. After all, in earlier, so to say, normal, conditions they had also been justifiedly criticized by deputies for belatedly submitting drafts and for nonfulfillment of legislative plans. /The experience of the fraternal parliaments in this matter would, understandably, interest us./

A fair amount of experience on which we can now draw was accumulated by us in the past years in the course of the control activity of the government and the individual ministries. The deputies' surveys oriented toward preparing independent meetings of the Chambers [of the Federal Assembly] on selected problems are of particular value. We will gladly share this fairly extensive experience of ours.

We have also succeeded in many aspects of publicizing the activity of the Federal Assembly, its agencies, and deputies. Now, when "glasnost" has acquired new significance, this enables us to organically develop what has shown itself to be most effective, and also search for new forms.

These concise comments on some aspects of our Federal Assembly's activity in the current conditions confirm that the restructuring puts new demands on socialist parliamentarism. We are convinced that the parliaments of the fraternal countries are also in a similar situation, and that life outright enforces a more profound exchange of concrete experience from our work, A. Indra noted.

FURTHER REACTION TO NATO'S VIENNA PROPOSAL

GDR Delegate's Remarks

AU151054 Vienna DIE PRESSE in German 15 Jul 87 p 2

[Text] Vienna -- In the plenary statements yesterday, Warsaw Pact representatives to the Vienna CSCE follow-up meeting basically welcomed the latest proposal of the NATO states in the field of military security, because its presentation has overcome a month-long period of stagnation at the Vienna meeting and now concrete editing can finally be started. At the same time, the East put forth a number of severe reservations against the Western security proposal. Soviet delegation head Yuriy Kashlev said: "But we hope very much that this document is not the last word from our Western colleagues."

In Kashlev's view, the Western proposal excludes from the start disarmament questions that would have to be discussed in the next stage of the conference on confidence-building measures and security. Thus, the tasks of this conference round would be artificially restricted.

Ambassador Peter Steglich, head of the GDR delegation, said it was "absolutely one-sided" that NATO in its proposal intends to expand the confidence-building and security measures only in one main direction, namely with regard to access to information and verification. The East, on the other hand, advocates the integration of the territories of all CSCE states and the adjacent ocean areas into a corresponding catalogue of measures, and is in favor of publicly announcing independent exercises of the navies and air forces.

Since NATO wants disarmament issues to be discussed only in the negotiations of the 23 members of the military alliances, one-third of the CSCE states would be automatically excluded from talks on these problems, said Kashlev. This undermines the all-European foundation of CSCE, and is an attempt to destroy the CSCE principle of equal rights for all participants. At the same time, Kashlev criticizes the fact that the West envisages only very "imprecise stipulations of the exchange of standpoints and views" as a linking element for the two future negotiation rounds of the 35 and the 23 states. Furthermore, the East criticizes the fact that the Western security document substitutes the term disarmament by "conventional stability." Kashlev said in this respect: "Stability in Europe cannot be divided into conventional, nuclear, chemical, or any other stability. Thus, the formula of 'conventional stability' clearly restricts the targets of future talks." With this, NATO is trying to avoid radical cutbacks in the armed forces and to prevent dealing with tactical nuclear systems in future negotiations, Kashlev stated.

CSSR Delegate's Views

LD141319 Prague CTK in English 1210 GMT 14 Jul 87

[Text] Vienna July 14 (CTK correspondent) -- An appeal for further talks on confidence-building measures and disarmament in Europe was made today by head of the Czechoslovak delegation Milan Kadnar at the follow-up meeting of the Conference on Security and Cooperation in Europe.

Milan Kadnar welcomed the NATO proposal concerning future talks on confidence building, to be attended by all 35 signatory states of the Helsinki Final Act, and talks on "conventional stability" in the presence of the 23 states of the Warsaw Treaty and NATO.

However, he pointed to some vague points in the proposal. He recalled mainly the fact that the Madrid meeting of the CSCE spoke about disarmament and also the European nations want disarmament and not some "conventional stability". Some NATO circles do not speak about disarmament, but about armament modernization and this means armament. The socialist countries will oppose such concept, he said and warned against the development of new weapons to replace nuclear ones.

Milan Kadnar stressed the validity of the proposal of Czechoslovakia and the German Democratic Republic to create zones without nuclear and chemical weapons in central Europe.

On confidence-building measures, Milan Kadnar said that by developing relations between European states and nations Czechoslovakia builds confidence.

Polish Envoy's Remarks

LD142110 Warsaw PAP in English 2044 GMT 14 Jul 87

[By PAP correspondent Franciszek Malinowski]

[Text] Vienna, July 14 -- Ambassadors Slawomir Dabrowa and Yuriy Kashlev, the respective heads of the Polish and Soviet delegations for the CSCE Vienna '87 meeting, held a joint press conference today.

Both ambassadors presented their stands on the NATO states' proposal on the military aspects of European security. They stressed a number of shortcomings in that proposal, still expressing hope that it will be possible now to promptly start editing and agreeing on the final document of the Vienna CSCE meeting.

Dabrowa also recalled that the first document tabled at the Vienna meeting was Poland's proposal to complement the mandate of the Stockholm Conference on Confidence and Security-Building Measures and Disarmament in Europe with disarmament issues.

Hungarian Envoy's Comments

LD151735 Budapest MTI in English 1632 GMT 15 Jul 87

[Text] Vienna, July 15 (MTI) -- Ambassador Andre Erdos, leader of the Hungarian delegation, discussed the NATO proposal submitted on issues of military security, in his contribution at the European follow-up meeting in Vienna. He welcomed the proposal, and the fact that the standpoint of the Western alliance has changed -- as compared to the former views of certain of its members.

"In our opinion, the best elements of the former proposals submitted in connection with military security should be utilized in the editing work", said the ambassador, and called attention to certain shortcomings of the Western draft. For example, the document does not mention the fact that the Vienna meeting evaluates the results of the Stockholm Conference, and discusses the resolutions accepted there.

When discussing the establishment of "traditional stability", the NATO proposal does not make the targets clear. The fact that NATO separates the talks related to confidence building and to disarmament does not help in clarifying the situation", said Andre Erdos.

SFRY'S DIZDAREVIC ADDRESSES CSCE IN VIENNA

AU151307 Belgrade BORBA in Serbo-Croatian 1 Jul 87 pp 1, 4

[Text] Vienna, 30 Jun (TANJUG) -- Raif Dizdarevic, federal secretary for foreign affairs, spoke at the Vienna CSCE plenary session this morning as the host of the recent Brioni meeting of the foreign ministers of the Mediterranean nonaligned countries. According to the prearranged schedule, today's plenary session was presided over by Ambassador Ignac Golob.

Dizdarevic said that the nonaligned countries of the Mediterranean are following the work of the Vienna CSCE meeting with great attention and legitimate interest, expecting it to make a further significant contribution to increasing cooperation and security in Europe. However, the Mediterranean members of the Nonaligned Movement are not and cannot be passive observers in this process, which has been developed and promoted for over a decade. Dizdarevic recalled the assessment expressed at the Brioni meeting that it is impossible to ensure lasting and complete peace and security in Europe unless everything that is planned and adopted with a view to realizing those aims is applied to the Mediterranean region, too. This is exactly why I am convinced that conditions have matured and that this is the right time for us to join efforts and get in step in trying to realize this aim, he said.

The nonaligned countries of the Mediterranean are worried because the positive changes in international relations, particularly Europe, are not being fully reflected in the Mediterranean, the federal secretary said.

With its crises and the huge concentration of military power, the Mediterranean cannot be left aside from the signs of relaxation of tension in the world, particularly in Europe, Dizdarevic said. The measures negotiated for Europe cannot have a complete or lasting effect unless they are extended to the Mediterranean as well. Those two regions are linked and mutually dependent to such an extent that they form a unified whole. It is a vital interest of the nonaligned countries of the Mediterranean to invest efforts together with European Mediterranean countries and to influence the promotion of relations with a view to having the Mediterranean step more resolutely in the same direction as Europe. This is exactly what the Brioni meeting was directed toward.

Dizdarevic said the Brioni meeting pointed out that connections between and interdependence of Mediterranean and European security and cooperation require lasting agreements and cooperation between the CSCE member countries and the nonaligned Mediterranean countries on questions of the Mediterranean. However, this cannot be realized if the nonaligned countries of the Mediterranean are not ensured the opportunity of making an equal contribution to and of participating in debates on all aspects of security and cooperation in the Mediterranean in accordance with their rights and responsibilities for the situation in the region.

At their meeting at Brioni, the nonaligned Mediterranean countries called on the CSCE member countries to refrain from threats or the use of force and to increase their efforts to find just and permanent solutions for hotbeds of crisis and other key problems in the Mediterranean through peaceful means, Dizdarevic said. They also expressed the expectation that the Vienna CSCE meeting will adopt a conference document on measures for strengthening confidence and security, and on disarmament in Europe.

Dizdarevic stressed that the foreign ministers of the noaligned Mediterranean countries supported the negotiations on removing the same weapons from the Mediterranean, too. [paragraph continues]

They pointed out that agreements on reducing conventional arms from Europe should be extended to the Mediterranean. They called on other countries of the region not to allow military bases or other military installations on their territories to be used against the nonaligned Mediterranean countries. The ministers demanded that all measures for strengthening confidence and security that are agreed in Europe should apply to all military activities, naval, air, and other operations in the Mediterranean. Such activities in the Mediterranean should also be subject to notification, observation, restriction, and annual schedules. They should also be subject to on-site inspection.

The nonaligned countries of the Mediterranean are prepared to use specific actions to contribute to efforts to limit and reduce military activities in the Mediterranean, Dizdarevic said. We are resolute in the decision not to take part in or undertake any actions that would lead to the continuation of the contest between the great powers and blocs in this region, or that would strengthen the existing military alliances and various military arrangements, he said. We are resolute in our decision not to grant military bases or to provide concessions for foreign military presence.

We demand that foreign fleets, military bases, and strongholds are not used for attacks and pressures against the nonaligned Mediterranean countries or for interference in their internal affairs, Dizdarevic said. We also demand that military maneuvers are not carried out near the borders or in the territorial waters of the nonaligned Mediterranean countries.

As host of the Brioni meeting and in accordance with its conclusion, Dizdarevic pointed out, Yugoslavia has already addressed the U.S. and USSR governments, demanding that those two countries' negotiations on nuclear disarmament in Europe include their nuclear arms in the Mediterranean so that they could be eliminated from that region at the same time, too.

We expect and we appeal that negotiations on conventional arms in Europe be approached in the same way.

On the basis of the mandate from the Brioni meeting, Yugoslavia has already established first contacts and initiated an exchange of views with all the Mediterranean countries in Europe, both with those countries that have started certain initiatives for opening the process of rapprochement and relaxation of tension in the Mediterranean, and those that have supported these ideas, he said. Our aim is to contribute through joint efforts to creating conditions for promoting security in the Mediterranean and to developing equal cooperation in various spheres, which is in the interest of all the shores of the Mediterranean.

Of course, we want cooperation with all other European countries as well, not only on questions of peace and security, but also in other fields, especially the economic field, Dizdarevic said.

In the policy of nonalignment and in the CSCE progress, I see a very important common denominator, and that is solving problems through negotiations and agreements, said Dizdarevic, federal secretary for foreign affairs.

ALIA GREETS FRANCE'S MITTERRAND ON NATIONAL DAY

AU132013 Tirana Domestic Service in Albanian 1800 GMT 13 Jul 87

[Text] Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, sent this greetings telegram to Francois Mitterrand, president of the Republic of France:

On the occasion of the national day of the Republic of France, it is a pleasure for me to send you sincere greetings in the name of the Albanian people, the Presidium of the People's Assembly, and in my own name, and at the same time to express best wishes for the happiness and prosperity of the French people. I express the wish that the relations of friendship and cooperation between our two countries will further develop in the future, to their mutual benefit.

SOVIET EDUCATIONAL REFORMS CRITICIZED

AU151307 Tirana ZERI I RINISE in Albanian 11 Jul 87 p 4

[Engellushe Agalliu article: "A Bourgeois Method Leading to the Degeneration of Schools and the Younger Generation"]

[Text] In the context of the restructuring "reform" being enacted in the Soviet education system, a new educational practice has been introduced, supposedly for the democratization of the educational process. According to Soviet ideologists the aim of the reform is to make schools more flexible and more opoen than hitherto to the introduction of the theory and practice of teaching according to the experience of the schools and universities of the West, by liberalizing relations within the school and in the whole teaching process. To achieve this they will borrow a whole range not only of teaching aids and technology, but also syllabi, subjects, and textbooks devised in the spirit of schools in America or the West.

The draft program for "democratizing" the schools will expand the self-governng rights of the teaching staff; teachers will be given more authority to choose teaching methods, use various procedures and tools borrowed from bourgeois teaching methods, supposedly to make teaching more effective, original, and up-to-date. On the other hand, pupils will be permitted more freedom in their education, with a kind of "self-education," "self-organization," and "self-discipline" -- a well-known anarchist practice in bourgeois schools. This mask of "democratization" of teacher-pupil relations demands that teaching staff respond gently to misbehavior among pupils and to the signs of a petit bourgeois psychology so frequently encountered among them, leaving them to "educate and improve themselves."

In the context of the so-called democratization of the teaching process and of relations within schools, the practice of teaching by pupils themselves is being introduced: Pupils replace directors, teachers, and administrative staff at any time when these latter are busy with other work. This form of self-management has now been introduced into 100 secondary schools in the capital, and its extension to other schools around the country is anticipated. But while Soviet propaganda proclaims such a practice as supposedly raising the pupils' sense of responsibility and their motivation to learn, facts show that teaching periods are frequently turned into discussions about the latest fashions and performances of videocassettes of depraved content, when classrooms are turned into discotheques, and so forth.

The consequences of bourgeois teaching methods which have been practiced for years in Soviet schools, and of the self-education and self-government which continue to be introduced in the recent restructuring and liberalizing "reform," are becoming increasingly evident. Shortcomings in education at school are one of the factors which have led to a debasement of taste and of true esthetic and cultural values among young people, who have sunk into the slime of aploticism, amorality, and hooliganism. Questionnaires among young people of both secondary schools and colleges show that they know more about Western rock singers than about Pushkin and Mayakovskiy. PRAVDA admitted that "Young people know nothing about history. They do not know a thing about the Battle of Kulikovo or Stalingrad."

This panorama of intellectual degradation is completed by alcoholism, drugs, illicit trading, and prostitution. Punks, hippies, metalists, Lyuberites, fans of heavy rock, and others who arouse concern among Soviet citizens are mainly school pupils. Recently in the Soviet capital the police were obliged to intervene to control clashes between such degnerate groups of young people and students.

These restructuring reforms in the sphere of education, apart from the luster of democratization with which the Soviet revisions seek to cover them, aim to promote further liberalization in schools, giving them even more of the features of bourgeois schools in the West. This is being done to make them conform more closely to the restructuring of the economic base, which in the Soviet Union is being enacted in the field of education, too, to train a new generation in accordance with the political aims of the Soviet bourgeoisie now in power.

NEW NEWSPAPER TIRANA STARTS PUBLICATION

AU151111 Tirana ATA in English 0730 GMT 15 Jul 87

[Text] Tirana, July 15 (ATA) -- The first issue of the newspaper TIRANA, organ of the Party Committee of Tirana District came out. On this occasion, Pirro Kondi, alternate member of the Political bureau of the CC of the party and first secretary of the Party Committee of the district of Tirana writes among others in its first editorial:

The newspaper TIRANA is another present, a powerful means which the Central Committee of the party avails us and is useful for the organizations of the party, the organs of the power and those of the masses, our entire people of our district, along with those very important means of the propaganda on national scale, which serve to inform, educate, inspire and mobilise the working peole for the realisation of the tasks and the ever more successful construction of socialism, for the happiness of all the people.

Always based on the ideas of Marxism-Leninism, the decisions of the party, the teachings of Comrade Enver Hoxha, and the instructions of Comrade Ramiz Alia, the newspaper will analyse them concretely, always in accordance with the conditions of the district will educate, form sound convictions not only for the importance of the ideas, the teachings and tasks but also for the real possibilties of realising them every day.

FURTHER REPORTAGE ON VISIT BY GREECE'S PAPANDREOU

Talks With Zhivkov

AU151301 Sofia BTA in English 1227 GMT 15 Jul 87

[Text] Sofia, July 15 (BTA) -- At a meeting between State Council President Todor Zhivkov and Greece's prime minister, Mr Andreas Papandreou, who is currently in Bulgaria on a friendly working visit, the two politicians discussed certain international issues, the situation in the Balkans and the bilateral relations. They confirmed the coincidence or closeness of the two governments' views on the matters under discussion.

The leaders of Bulgaria and Greece paid special attention to security and disarmament in the light of the latest proposals of the Soviet Union and the calls by the six states which signed the Delhi Declaration. Mr Todor Zhivkov noted the significance of the proposals of the Berlin session of the Political Consultative Committee of the Warsaw Treaty member states. Mr Andreas Papandreou spoke in support of the proposals on the elimination of the intermediate-range and tactical missiles in Europe and the banning of all nuclear tests. The two sides agreed that the plans to militarize space and to deploy strike weapons there destabilize the international situation and threaten world peace.

In discussing the situation in the Balkans, the Bulgarian head of state and the Greek prime minister spoke in support of the idea to turn this part of the world into a zone free of nuclear and chemical weapons. They also stressed the need to adopt more efficient measures for the peninsula's ecological protection. The two politicians expressed the desire to strengthen good-neighbor relations in the Balkans on the basis of peaceful coexistence.

They voiced concern over the lack of progress in resolving the Cyprus issue. Bulgaria and Greece are against the undertaking of any action that would violate the unity, independence, sovereignty and nonalignment of Cyprus. The two countries support the idea of the calling of a prestigious international conference on the Cyprus issue.

Mr Todor Zhivkov and his Greek guest discussed certain international issues related to the existence of sources of tension in our world. They noted the closeness or coincidence of their views on these questions. The Bulgarian head of state and the Greek premier spoke of the need to resolve all disputed issues by peaceful means.

The two leaders assessed the bilateral relations as a model for relations between two countries of different sociopolitical systems. Bulgaro-Greek relations are developing in concord with the requirements for new political thinking under the current conditions. The two politicans expressed satisfaction with the development of the political relations and noted the significance of the parliamentary contacts and the contacts between sociopolitical and other organizations of Bulgaria and Greece.

Mr Todor Zhivkov and Mr Andreas Papandreou assessed positively the economic and techno-scientific cooperation. They noted that the growing economic potential of their countries allows for a further broadening of the economic cooperation. The two statesmen expressed readiness to employ new forms of economic interaction, including the setting up of direct ties between companies and enterprises.

Mr Zhivkov and Mr Papandreou believe that the relations in the fields of culture, education and sport are very good and contribute to greater understanding between the two peoples.

Ends Visit, Departs

AU151834 Sofia Domestic Service in Bulgarian 1730 GMT 15 Jul 87

[Text] On 15 July Andreas Papandreou departed from Bulgaria. At Sofia Airport he was cordially seen off by Georgi Atanasov, chairman of the Council of Ministers; Petur Mladenov, minister of foreign affairs; Khristo Kristov, minister of trade and chairman of the Bulgarian side of the Joint Bulgarian-Greek Commission on Economic and Scientific-Technical Cooperation; and other officials.

FURTHER REPORTAGE ON CPSU DELEGATION'S VISIT

Visits Stara Zagora Memorials

AU151016 Sofia Domestic Service in Bulgarian 0900 GMT 15 Jul 87

[Text] The visiting CPSU Central Committee delegation led by Aleksandra Biryukova, secretary of the CPSU Central Committee, visited hallowed places in Stara Zagora Okrug connected with glorious pages from Bulgaria's 13-century-long history.

Accompanied by Emil Khristov, secretary of the BCP Central Committee, and Mincho Yovchev, first secretary of the Stara Zagora Okrug BCP Committee, the delegation laid bouquets at the Liberation memorial on the legendary Shipka peak. In the memorial museum on Buzludzha peak, the envoys of the CPSU Central Committee were acquainted with glorious events in our party's history.

Tour Plovdiv Okrug

AU151858 Sofia Domestic Service in Bulgarian 1730 GMT 15 Jul 87

[Text] On 15 July the visiting CPSU Central Committee delegation led by Aleksandra Biryukova, secretary of the CPSU Central Committee, visited Plovdiv. The delegation visited the [name indistinct] canned food plant in Plovdiv, which produces baby food for the Soviet Union also. The guests reviewed the major tailoring enterprise of the Rila Economic Trust, and the Plovdiv (?Balkan) plant, where they were briefed on the organization of the production process. Almost two thirds of the men and women's clothing produced by the plant is exported to the USSR market. On the way from Gabrovo to Sofia Aleksandra Biryukova laid flowers at the Shipka memorial.

COOPERATION PROGRAM WITH ROMANIAN YOUTH UNION

AU152011 Sofia Domestic Service in Bulgarian 1930 GMT 15 Jul 87

[Text] On 15 July in Sofia a cooperation program for the period until the year 1900 was signed between the Dimitrov Komsomol and the Romanian Union of Communist Youth. The document was signed by the first secretaries of the central committee of the two youth organizations, Andrey Bundzhulov and Nicu Ceausescu.

The program envisages the development of cooperation and the exchange of experience and information on the participation of the youth in the socioeconomic development of the two countries, the ideological, political, labor, and intellectual education of the young generation, and developing scientific-technical creativity, sports, and tourism.

CONTROL COMMISSION REVIEWS BCP VIOLATIONS

AU141930 Sofia RABOTNICHESKO DELO in Bulgarian 11 Jul 87 pp 1, 6

[Unattributed report: "Decisively Against Violations of Party Principles and Norms"]

[Text] On 10 July an expanded plenum of the BCP Central Committee-Auditing Commission took place. It was chaired by Nacho Papazov, chairman of the BCP Central Control-Auditing Commission, and its work was characterized by a profound analysis of and irreconcilability toward weaknesses, as well as by a decisive approach aimed at removing weaknesses. The plenum was attended by the chairmen of the okrug, city, and district control-auditing commissions; responsible associates of the apparatus of the Central Control-Auditing Commission, the Committee on State and People's Control, the control organs of the Bulgarian Agrarian National Union, the Bulgarian Trade Union, and the Dimitrov Komsomol; and representatives of the Ministry of Internal Affairs, and the Academy on Social Science and Public Administration at the BCP Central Committee.

Valdimir Sandev, deputy chairman of the BCP Central Control-Auditing Commission, read a report on the activity of the Central Control-Auditing Commission, and the okrug, city, and district commissions on the application of the BCP Central Committee's instructions on party membership; imposing, cancelling, and correcting party penalties; the work with the documents at the primary party organizations; and on collecting the membership fees. The regulating role of these normative documents is very important in improving the inner-party relations, and developing and strengthening the organization, democracy, and strict discipline in the party ranks. Their observance is especially important now when the implementation of the strategic course of the party on a new qualitative growth in all areas of life requires greater stimulation to restructuring the style and methods of the work. The control-auditing and control commissions must ever more successfully cooperate in improving the work of the party committees for applying a businesslike approach in admitting new members to the party; imposing, changing, and correcting party penalties; and setting and collecting the membership fees.

The report and the statements pointed out with well grounded concern that the BCP Central Committee's instructions are not being always being observed. The control-auditing commissions and the control commissions along with the party committees and organizations are responsible for the existing weaknesses and the violations of the requirements.

The inspections of the BCP Central Control-Auditing Commission shows that in many places there is an unjustified sluggishness in admitting candidates for party membership. There have been frequent cases in which the investigation of the candidates and the submission of their documents for discussion in the primary party organizations have been protracted for years. The congress and statute's requirement to admit new members at open party meetings still has not been broadly and insistently applied. Last year in Sofia Okrug this requirement was observed in only 42 percent of the cases. This sluggishness continues afterward by not taking enough care in introducing the new members to party life, and in not having the correct political education of the young communists. The phenomenon is indicated by the fact that 1,615 of the party members who have been expelled or punished during 1986 were admitted to party membership in the 5 preceding years.

Now when a restructuring of the Communists' thinking and attitude toward their obligations is taking place there continue to be violations of the norms on which the party activity is constructed. Therefore, during the past year party exigence has been demonstrated and responsibility demanded in 2,180 cases of unjustified absence on the part of party members from meetings; 1,327 cases of irregular and partial payment of membership fees; 1,057 cases of failing to implement party instructions and tasks; 760 cases of failing to implement party decisions, and so forth. During the inspections conducted at the "Bulgarian Silk" Plant in Sofia it was found that the meetings have only been attended by an average of 66 percent of the party membes. The director, Yuriy Kiryakov has been absent from seven, and his deputy, Stoyan Nikolov, from nine party meetings. It is not superfluous to note that in this plant, work related to the accelerated introduction of the scientific-technical progress is below the level of the requirements. This is hardly an isolated case, in which leaders have not regularly and actively participated in the life of the primary party organizations, and have primarily relied on official meetings for implementing the tasks, underestimated the political approach, and used administrative methods.

Therefore it is necessary that the Control Commission be more insistent and uncompromising in their inspections and decisions. The process of imposing party penalities takes place through manifestations of a bureaucratic and administrative attitude. There have been frequent cases where the explanation to the primary party organizations of penalties imposed by higher party instances has been delayed or not taken place at all. There is a disparaging attitude toward the educational influence after the penalty has been allowed. Individual work has not been combined with organizational, political, and ideological-educational measures for removing the causes of the violations.

Collecting the membership fees does not pose any special difficulties. Nevertheless, in some cases this Leninist precondition of party membership has been accepted as a mechanical act and not as an expression of the ideological image and consciousness of the Communist and his material link with the party. Subsequently, occasionally the membership fees of members who had not paid them have been paid from the party cash-box in order to demonstrate "perfection" on the part of the primary party organization. During an inspection in Lovech Okrug it was found that 323 party members did not pay their fees in March 1986, and 338 in March 1987. There have been violations of instructions also in using the means. Incorrect expenditures have been made by the party organizations in Vidin, Gabrovo, Kurdzhali, Mikhaylovgrad, Plovdiv, Sliven, Sofia, and other okrugs. It must be remembered that collecting and reporting the membership fees and the use of financial means does not represent a merely financial activity on the part of the party organizations.

The plenum adopted decisions on the basis of the findings and conclusions, as well as the proposals and critical remarks included in the report and the statements of the members of the Central Control-Auditing Commission.

CHNOUPEK RETURNS FROM VISIT TO HUNGARY

LD152024 Prague Domestic Service in Czech 1930 GMT 15 Jul 87

[Text] In Budapest today Janos Kadar, general secretary of the MSZMP, received Bohulsau Chnoupek, CSSR minister of foreign affairs. During the meeting, the two representatives exchanged views on questions of Czechoslovak-Hungarian relations and on current problems of the international situation.

Bohuslav Chnoupek then ended the official friendly visit to Hungary and left by air for home. He was welcomed at Ruzyne Airport in Prague by Jaromir Johanes, first deputy minister of foreign affairs, and other officials.

ROMANIA'S ANDREI CONCLUDES WORKING VISIT

AU140947 Bratislava PRAVDA in Slovak 13 Jul 87 p 2

[Text] Prague (CTK) -- Stefan Andrei, candidate member and secretary of the RCP PEC, on Saturday [11 July] ended his working visit in the CSSR, which materialized at the invitation of the CPCZ Central Committee. Prior to his departure, he had talks with Milos Jakes, member of the Presidum and secretary of the CPCZ Central Committee, during which they expressed appreciation of the course and the results of the visit and expressed bilateral interest in further spirit of the conclusions of the talks between Comrades Gustav Husak and Nicolae Ceausescu, and of the principles of the Long-Term Program For Cooperation Between the CSSR and the Socialist Republic of Romania Through the Year 2000. Regarding this they voiced a series of concrete subjects for the development of cooperation in the individual spheres of the national economy and stressed the necessity of asserting new advanced forms of collaboration, cooperation, and specialization, including establishing direct relations between enterprises.

At Ruzyne Airport, Stefan Andrei was seen off by Milos Jakes, and by Frantisek Chlad and Josef Muller, deputy heads of CPCZ Central Committee departments. Cornel Pinzaru, ambassador of the SR of Romania to the CSSR, was also present.

TRADE COOPERATION PROTOCOL SIGNED WITH AUSTRIA

LD160557 Prague CTK in English 1400 GMT 15 Jul 87

[Text] Vienna July 15 (CTK correspondent) -- A protocol on the session of mixed trade commissions and on economic and industrial cooperation was signed here today by Czechoslovak Foreign Trade Minister Bohumil Urban and Austrian Economics Minister Robert Graf.

On this occasion the two ministers confirmed their countries' interest in expanding economic relations. Both sides also confirmed the need to encourage firms in their countries to broaden cooperation. At present 23 agreements on cooperations have already been signed and other draft agreements are being discussed. The mixed commissions dealt, inter alia, with cooperation in the sphere of tourism and agreed there exist possibilities for its expansion.

Austria is Czechoslovakia's second largest trade partner among the capitalist countries and Czechoslovakia is Austria's third largest trade partner among the CMEA states.

RUDE PRAVO: SPANISH KING VISITS AIRCRAFT PLANT

AU151036 Prague RUDE PRAVO in Czech 11 Jul 87 p 1

[CTK report: "Juan Carlos I Has Concluded His Official Visit to the CSSR"]

[Excerpt] [passage omitted] The meeting between CSSR President Gustav Husak, and King Juan Carlos I in Spain [on 10 July] was attended by Bohuslav Chnoupek, CSSR minister of foreign affairs; Frantisek Salda, head of the Chancellery of the CSSR President; and by Francisco Fernandez Ordonez, Spanish minister of foreign affairs. Milan Skolout, CSSR ambassador to Spain, was also present.

Meeting With Working People [subhead]

The same day King Juan Carlos I of Spain and Queen Sofia, accompanied by CSSR President Gustav Husak, paid a visit to the Aero enterprise in Vodochody. They were accompanied by Bohuslav Chnoupek; Frantisek Salda; and by Frantisek Hanus, leading secretary of the CPCZ's Central Bohemian Regional Committee; and by others.

Josef Skarohlid, general director of the Aero economic production unit, and Vaclav Klouda, director of the Vodochody enterprise, briefly acquainted the guests with the history of the Czechoslovak aviation industry and with the production program of the Aero Vodochody enterprise, which consists of the Albatros L-39 aircraft. During the inspection of the workshops in which the aircraft is being assembled, the Spanish king expressed great interest in the technology of production, the technological parameters of the training aircraft, the practical utilization, and the exports.

During the time they were inspecting the workshop, the highest representatives of the two countries were cordially greeted by assembled working people. Gustav Husak and Juan Carlos I shook hands with aircraft mechanics Jiri Kamenicka, Oldrich Slaby, Frantisek Lojin, and many others. In a short chat with Jana Vlkova and Vera Vlachova, Queen Sofia learned many things about the working and social conditions of women employed in the Aero enterprise. The guests also signed the visitors book.

The Czechoslovak and Spanish representatives then inspected an exhibition of the products of the Aero economic production unit. At the airfield of the enterprise, they saw a flight demonstration of the Agro-Turbo aircraft designed for the needs of the agricultural sector, and of the L-410 and the I-39 Albatros transport planes. Peter Jirmus, Meritorious Master of Sports, demonstrated the Z-50 sports plane, also well-known in Spain. Under lightly overcast skies, the guests were able to see a part of the aerial acrobatic, with which he won the title of absolute world champion last year. The king, who -- among other things -- is also a sports pilot in his free time, appreciated the good maneuverability of the Czechoslovak aircraft, and the skills of their pilots asnd designers.

CPCZ CENTRAL COMMITTEE PRESIDIUM DISCUSSES ECONOMY

LD141940 Prague Domestic Service in Czech 1630 GMT 14 Jul 87

[Text] At its session today the federal government discussed a variety of national economic issues and tasks connected with the fulfillment of the Eighth 5-Year Plan. It dealt with the present situation in the fulfillment of plan for this year and discussed the draft plan for 1988. It also examined the draft of state budget of the Czechoslovak federation and the complex of state budgets of Czechoslovak federation and the complex of state budgets of Czechoslovakia for next year and some other questions.

After weighing all the important remarks, the federal government approved the draft law on the state enterprise which will be publishd on 18 July. At the same time it ordered that the proposals emerging during the public debate be evaluated and processed by 15 November to serve as a basis for the final form of the draft law on the state enterprise. Because of unfavorable results achieved in the national economy in the first half of this year, the government adopted specific measures to overcome the shortcomings in production and efficiency in all production-economic units that are not fulfilling plans. It decided to carry out checks of marketing provisions for output and to take measures to cut production where marketing provisions have not been ensured, and replace it with the production of goods that are in great demand. Plans for investment projects for which material and financial resources have not been created will be reviewed.

The federal government then also discussed and adopted the state plan of development of the national economy for next year which contains tasks for development and for achieving the final goals of the Eighth 5-Year Plan in future years.

The growth of the national income is to be achieved above all by an increase in social productivity of labor and by a further drop in the material and energy intensity of production. Industrial production will contribute decisively to the growth of the national income. The plan for the next year reckons with an increase in personal consumption of the population, growth of housing construction, and more measures for the protection of the environment in harmony with the Eighth 5-Year Plan.

The government stressed the need to not exceed the limits of fuel and energy supplies, non-investment imports, and the necessity to observe the binding set rules of the wage regulations. In harmony with the decision of the 5th session of the CPCZ Central Committee, the number of construction projects to be startd will be reduced next year if compared with the limits set by the 5-year plan for next year. At the same time the government ordered the intensified continuation of the design preparations and supply provisions for the construction projects included in the ecological program.

In harmony with the conclusions of the 17th party congress, the federal government approved the proposal to improve the quality of the home market, of the work of shop networks and of public catering, including the proposal on the improvement of the managment system. The measures in this area are directed toward the improvement of the general situation on the home market, achieving a more active role for shops in satisfying the demands of consumers and in improving the living standard of the population.

It is envisaged that export supplies will be increased and home production will be augmented in order to improve the supplies of electrotechnical and machinery goods. Individual sections of industry were told to propose by the end of this year concrete programs to remove shortages in certain types of goods. This and next year, special measures will be implemented for doing away with the obstacles that slow down the smooth operation of the market. This means increasing the authority of trade organizations in negotiating the supplies of goods from supplying organizations, and making it possible to stimulate these supplies financially. [umozneni financni stimulace tiechto dodavek]. Stricter sanctions will be introduced for the supply of poor-quality goods and the protection of the interests of the consumer. Reinforcement of this position is to be stressed.

Beginning with 1 January 1988, new principles of management in public catering will be applied. Their purpose is to improve the standard of restaurants and hotels and eliminate lossmaking in pubilc catering.

Beginning with the next year, selected trade organizations will start to verify experimentally the new principles of the mechanism of management of the home market that are to reinforce the economic autonomy and responsibility of trade organizations, lead into the application of a full financial autonomy [khozraschotin] and the principle of self-financing. Direct and financial involvement of individuals and collectives in the attained economic results, in the quality of attendance and in services provided is to be intensified.

Those principles proceed from the adopted approach for the restructuring of the economic mechanism in Czechoslovakia and the draft law on the state enterprise. The adopted measures created prerequisities for the solution of a number of other questions that come under the direct jurisdiction of national governments -- such as the improvement of shopping conditions, including the locations of shopping networks, establishments of business hours, and other measures in the sphere of the trade policy.

The federal government also examined the draft of the state budget for the next year which will be submitted to the Federal Assembly for approval. The state budget for next year proceeds from the main tasks and the total budget outlook for 1986-1990 period. In connection with the assumed technical progress, the government also discussed the draft for the further specification of the Eighth 5-Year Plan of technical development and standardization for next year. Also approved were a draft of the main tasks of the federal government and a draft of the plan of control activities of committees of people's control of the CSSR for the second half of this year.

The government also discussed the results of socialist competition in the fuel and energy industry in the past year and decided, after an agreement with the central Council of Trade Unions, on the awards of the Klement Gottwald Banner, the Soviet Miners' Banner, and Red Banners of the Federal Government and the Central Council of Trade Unions to the best working teams. The awards will be presented on the Day of Miners and Power Workers this year.

At the same time the federal government recommended to the president of the Republic to award high state distinction to outstanding workers on the Day of Miners and Power Workers.

The government also dealt with the handling of complaints and proposals proposed by citizens to state economic organs and organizations last year, and noted that in the recent period their number has increased. This reflects the reactivation of public life after the 17th CPCZ Congress. Serious shortcomings still prevail in the consistency and timely handling of complaints and their utilization for the solution of problems and malpractices to which citizens point. In this respect, the government has acknowledged information on the preparation of a draft law which will stress the importance of utilization of comments and complaints of working people and will impose strict sanctions for the inertia and inflexible attitudes of those who deal with them.

The government also expressed agreement with the implementation of the comprehensive experiment in increasing of independence and responsibility of economic organizations for the effective development in the following production -- economic units: Heavy Engineering Works in Martin, the Czechoslovak Vzduchotechnicke (air-technical) Works in Milevsko, the Hutni Druhovyroba (metallurgical seconday production) Prague and the Bytex [household textiles] national enterprise in Liberec; in the Plastika enterprise in Nitra, the Gumarny Prveho Maya [1 May rubber works] in Puchov, (?Grafobal) in Skalice, the Slovak Technicke sklo [technical glass] works in Bratislava, the Tatrasvit in Soviet and the Kapitan Nalepka Odevni [Captain Nalepka textile] works in Presov.

The federal government also dealt at its session today with questions connected with the activity of the Czechoslovak State Bank and its tasks in the development of the national economy.

HOFFMANN ATTENDS PARTY ECONOMIC MEETING

LD142105 Bratislava Domestic Service in Slovak 1030 GMT 14 Jul 87

[Text] A party economic aktiv of leading economic officials employed in the home market sector opened in the House of Revolutionary Trade Union Movement in Bratislava this morning attended by Karel Hoffmann, Presidium member and CPCZ Central Committee secretary, Miloslav Hruskovic, candidate member of the CPCZ Central Committee Presidium and CPSL Central Committee secretary, and other officials. The aim of the meeting is to brief the home market sector, party and trade union officials on the main principles governing restructuring, approved by the federal government and by the CPCZ Central Committee Presidium yesterday [13 July], including measures and timetables for putting them into practice. Sona Jesenska, an editor, has sent us the following report on the proceedings so far:

[Begin Jesenska recording] The main report was delivered by Jaroslav Zelko, Slovak minister of trade. He said that the meeting provides an opportunity to share views and findings regarding this issue and thus to contribute to the creation of conditions to ensure the application of measures in the activity of trade organizations in Slovakia. The explanation of measures adopted to strengthen the equilibrium and quality of the home market sector in the coming 2 years will form a part of the meeting. Minister Zelko described the correct determination of the profit formation and distribution system as the prime tasks facing sector's enterprises in the conditions under which the new mechanism will operate. He stressed that because of the abandonment of the previously binding planned retail trade turnover indicator conditions were being created to reinforce the dependence on the truly achieved earnings.

At the close of his speech he said that the entire trade sector must make use of all the instruments with which it has been provided to improve the quality of the home market sector, services and raise the initiative and activity of its employees.

The meeting is now continuing with a debate.

LACK OF INTEREST IN MODERNIZATION OF PROJECTS

AU091214 [Editorial Report] Bratislava PRAVDA in Slovak on 8 July on page 3 carries under the headline "Preparation of Investments - More Burning Than Scorching Summer," a 1,500-word interview with engineer Pavol Frolovic, deputy chairman of the Slovak Commission for Scientific-Technical and Investment Development, conducted by PRAVDA staff journalist Milan Zelenay.

The article opens stating that the Slovak Commission for Scientific-Technical and Investment Development and related agencies are regularly checking the state of the preparations for the most important national-economic investment projects prior to the year in which the actual work begins, and that the "checks show that the same situation has been going on for a long time, that is, the investments are not prepared."

In the interview itself, Frolovic says in part that the situation has not improved in that respect this year -- "I would say that if it has not become worse, then it is definitely not better." By the date set by "methodical instructions," the documentation will probably be ready for only 29 of 52 projects.

Asked why "investors" do not respect the task set by the 17th CPCZ Congress, that is to increase the proportion of modernization and reconstruction work, Frolovic says that "One has to openly say that there will not be a fundamental change as long as the investors will not have fundamentally greater economic interest in modernizing and reconstructing than in building new projects, when he will not feel in his own pocket, in profit, in the income situation of his enterprise that the reconstruction work is more advantageous for him. Administrative measures will definitely not alter anything. The modernization and reconstruction work has been emphasized in the congress' documents and in all investment measures, and yet its proportion has not markedly changed," Frolovic says in part of the interview.

BRIEFS

OBZINA MEETS ELECTRICAL ENGINEERS -- Jaromir Obzina, CSSR deputy premier and chairman of the State Commission for Scientific-Technical and Investment Development, received in Prague on 13 July a delegation of participants in the 51st general session of the International Electrotechnical Commission (IEC), which is currently in the CSSR capital. In his speech, Obzina expressed appreciation of the commission's activity, particularly regarding its contribution to the development of the world division of labor, cooperation, exchange of goods and services. He also briefed his guests on the topical tasks and future-oriented plans of the Czechoslovak national economy's development, and promised that the CSSR, which has participated in the activity of the IEC since 1926, will fully support its activity also in the future. [Summary] [Bratislava PRAVDA in Slovak 14 Jul 87 p 2 AU]

HONECKER TO PAY VISIT TO FRG 7-11 SEPTEMBER

LD151747 East Berlin ADN International Service in German 1728 GMT 15 Jul 87

[Text] Berlin, 15 Jul 87 (ADN) -- At the invitation of FRG Federal Chancellor Helmut Kohl, Erich Honecker, SED Central Committee general secretary and chairman of the GDR State Council, will pay an official visit to the FRG from 7 to 11 September 1987.

Erich Honecker will stay in Bonn, the federal capital of the FRG, on 7 and 8 September and will then visit the federal states of North Rhine-Westphalia, Saarland, Rhineland Palatinate, and Bavaria.

DRESDEN CATHOLICS MEETING CONDCLUDES 12 JULY

AU140951 East Berlin NEUES DEUTSCHLAND in German 13 Jul 87 p 1

[Excerpts] Dresden (ADN/ND) -- The 3-day 1987 Dresden Catholics Meeting was concluded on the festival ground in the Great Meadow on Sunday afternoon [12 July] by a ceremony. On the last day, the day of the pilgrimage, 80,000 believers from all dioceses of the Catholic Church in the GDR attended the events. In the morning a special service was held there by Cardinal Joachim Meisner, chairman of the Berlin Bishops' Conference, and all bishops present in Dresden. [passage omitted]

In his concluding speech Cardinal Meisner thanked the authorities, the government's representatives, the Bezirk Council and the town of Dresden, the traffic police, the GDR railraod, the town's transportation authorities, those responsible for food and accommodation as well as the media staff on behalf of the members of the Berlin Bishops' Conference. "With its beauty, Dresden provided a respectable framing for our beliefs, which we were allowed to celebrate here," he stated.

BRIEFS

AURICH RECEIVES CHINESE DELEGATION -- On 13 July Eberhard Aurich, first secretary of the FDJ Central Committee, received a delegation from China's communist youth association headed by Zhang Xiqian, which is currently staying in the GDR for study purposes. Eberhard Aurich briefed the visitors on the ideopolitical work in the "11th SED Congress FDJ Assignment." Both sides concurred that cooperation between the two youth associations will continue to deepen in the interest of strengthening socialism and of safeguarding peace. [Summary] [East Berlin NEUES DEUTSCHLAND in German 14 Jul 87 p 2 AU]

AGREEMENT WITH VIETNAM -- A delegation from the Institute for Marxism-Leninism attached to the Communist Party of Vietnam Central Committee headed by Deputy Director Dang Xuan Ky, visited the GDR at the invitation of the Institute for Marxism-Leninism attached to the SED Central Committee. The delegation familiarized itself with the results and tasks of Marxist-Leninist social sciences and the system of planning and management of social research in the GDR. At the end of the delegation's stay an agreement on cooperation between the two institutes for the 1987-90 period was signed. [Summary] [East Berlin NEUES DEUTSCHLAND in German 13 Jul 87 p 2 AU]

FURTHER REPORTAGE ON VISIT BY CSSR'S CHNOUPEK

Examines Cooperation With Grosz

LD151611 Budapest MTI in English 1120 GMT 15 Jul 87

[Text] Budapest, July 15 (MTI) -- Karoly Grosz, chairman of the Council of Ministers, met Bohuslav Chnoupek, foreign minister of the Czechoslovak Socialist Republic, in Budapest on Wednesday.

The parties exchanged views on topical issues of socialist construction work. The Hungarian prime minister discussed the governmental tasks stemming from the programme approved at the latest session of the HSWP Central Committee.

Surveying bilateral relations which were assessed as favourable, the two politicians discussed issues of economic, technical and scientific cooperation. In this context both parties stressed the necessity of advanced forms of cooperation.

The meeting was attended by Foreign Minister Peter Varkonyi. Bela Kovacs, ambassador of Hungary to Czechoslovakia, and Ondrej Durej, ambassador of Czechoslovakia to Hungary, were also in attendance.

'Cordial' Talks With Kadar

LD151616 Budapest MTI in English 1502 GMT 15 Jul 87

[Text] Budapest, July 15 (MTI) -- On Wednesday in Budapest Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, met Bohuslav Chnoupek, Czechoslovak foreign minister and member of the CPC CC, who is paying an official friendship visit to Hungary.

In cordial, comradely spirit the parties exchanged views on international affairs and some issues of Hungarian-Czechoslovak relations.

The meeting was attended by Peter Varkonyi, Hungarian foreign minister and member of the HSWP CC. Bela Kovacs, ambassador of Hungary to Czechoslovakia, and Ondrej Durej, ambassador of Czechoslovakia to Hungary, were also in attendance.

Comments on Bilateral Relations

LD151929 Prague Domestic Service in Czech 1600 GMT 15 Jul 87

[Text] At the end of his 2-day official friendly visit to Hungary, Minister of Foreign Affairs Bohuslav Chnoupek gave an interview to Frantisek Valabek, our Budapest correspondent. On the subject of the most important questions of bilateral relations, Minister Chnoupek said:

[Begin Chnoupek recording in Slovak] As far as mutual relations are concerned I am very pleased that I heard from the highest representatives of the People's Republic of Hungary -- Comrade Janos Kadar, the new premier of government Comrade Grosz, and my counterpart Comrade Varkonyi -- that our relations are described as highly developed, strong, clean and honest.

I think this is the greatest capital that we have accumulated in the construction of socialism in recent years. We concentrated above all on deepening and widening political dialogue, that is, furthering high level visits and their preparations. We gave great attention to the study of cooperation in the area of economics, in particular regarding higher and more demanding forms of economic cooperation; and naturally we did not leave out questions of culture, cooperation in the area of medicine, education, and sciences.

I would like to mention the question of the economy where we reached a very high level of cooperation. We stated that there are considerable reserves above all in areas of cooperation and specialization, and these were the questions we concentrated on. [end recording]

[Announcer] The international situation was also discussed. In answer to a question about which problems he considers to be most important, Bohuslav Chnoupek said:

[Begin recording in Slovak] Above all, we [words indistinct] views on how to continue further under conditions of the peaceful offensive of socialist countries, which in the past 2 years has achieved such significant successes, with regard to the fact that a priority task is to further strengthen the unity and cooperation of the countries of the socialist community, in particular the Warsaw Pact, and the further building and strengthening of the mechanism of the Warsaw Pact. And from this perspective our Hungarian comrades put forward a number of enterprising suggestions that are of particular significance for us because the future session of the committee of ministers will be taking place in Czechoslovakia in the fall.

We naturally also gave great attention to questions of disarmament, expressing hope that there will be success in achieving an agreement on the liquidation of medium-range missiles and operational-tactical missiles. This would be a significant step toward improving the atmosphere in the world as a whole, and also give rise to a general chain reaction in disarmament talks.

Naturally, we also gave great attention to other questions, but I would like to point out in particular the question of the continuation and the successful conclusion of the Vienna followup meeting, where, after 6 months, we were finally given a proposal by the NATO countries for convening two conferences, possibly in one city under one roof. This proposal is acceptable in many ways but it does also have its unclear places that must still be resolved in expert talks.

It is probable, and in fact practically clear, that the Vienna meeting will not finish by the end of July. This is why we, both the Hungarian comrades and ourselves, believe that the break must be utilized for an active discussion by experts, so that in September when the next round of talks takes place we will be able to approach the [word indistinct] of the document so that the conference will end successfully toward the end of this year or the beginning of next year. [end recording]

Concludes Visit, Departs

LD151912 Budapest MTI in English 1635 GMT 15 Jul 87

[Text] Budapest, July 15 (MTI) -- Concluding his official friendship visit to Hungary, Bohuslav Chnoupek left Budapest Wednesday. The Czechoslovak foreign minister was accompanied on the visit by his wife.

The guests were seen off at Ferihegy Airport by Hungarian Foreign Minister Peter Varkonyi and his wife. Also present were Bela Kovacs, Hungarian ambassador to Czechoslovakia, and Ondrej Durej, Czechoslovak ambassador to Hungary.

KADAR RECEIVES WORLD JEWISH CONGRESS PRESIDENT

LD151111 Budapest MTI in English 1025 GMT 15 Jul 87

[Text] Budapest, July 15 (MTI) -- Janos Kadar, general secretary of the HSWP, member of the Presidential Council, met Edgar Bronfman, president of the Jewish World Congress, and the general secretary of the organization Israel Singer, in the building of parliament Wednesday morning. The visitors are in Hungary on the invitation of the central board of Hungarian Jews. The talks were attended by State Secretary Imre Miklos, president of the State Office for Church Affairs.

CSCE DELEGATE RAISES ISSUE OF NATIONAL MINORITIES

LD141320 Budapest MTI in English 1235 GMT 14 Jul 87

[Text] Vienna, July 14 (MTI) -- The issue of national minorities should be given an adequate place in the final document to be elaborated at the Vienna meeting, Ambassador Andre Erdos, head of the Hungarian delegation, stressed at the consultation.

The issue has been raised in the course of drafting, with regard to the principles governing inter-state relations.

The Hungarian delegate pointed out that the issue had gained in importance since the approval of the Helsinki Final Act both in the signatory states and in their relationship to each other.

'It was laid down at the latest follow-up meeting in Madrid that permanent advance should be made in this field, the rights of national minorities be guaranteed, and their legitimate interests protected. Further efforts are required to prevent the violation of such rights and interests. As the minority issue is an actual problem, it should receive standing attention. This issue is an important component of understanding and positive relations, mainly between the states with national minorities.

'The proposals submitted on this topic, and the debates held in Vienna obviously demonstrate the timeliness of the issue of national minorities', the Hungarian ambassador said. He agreed with the ideas included in the proposals put forward on the topic at the Vienna meeting and took a stand for protecting the national identity of the minorities, and unconditional respect for their rights and specific interests. Andre Erdos expressed the conviction that if the participants concentrate their attention on the actual problems, the Vienna meeting could make an efficient contribution towards overcoming them.

MIKLOS NEMETH DISCUSSES ECONOMIC-SOCIAL RESURGENCE

LD050425 Budapest Television Service in Hungarian 1940 GMT 4 Jul 87

["News Background" program presented by Istvan Sandor, with Miklos Nemeth, MSZMP Central Committee secretary]

[Text] [Sandor] Good everning. The program we will discuss for the next half hour, has been -- I believe I can say this without exaggeration -- preceded and accompanied by intense anticipation, some doubt and uncertainty, too. The topic of today's special edition of News Background, the program of economic-social resurgence, analyzes the state of the economy and seeks a way out of the difficult situation.

This evening's guest, who I affectionately greet, is Miklos Nemeth, secretary of the MSZMP Central Committee. Allow me to start with a personal question. If I understand correctly, you have been Central Committee secretary for roughly 2 weeks?

[Nemeth] I would like to start with the latter. My work, in essence, has not changed in recent days or the past 2 weeks, because since the November session of the Central Committee, we have been constantly working on the position that was published in full in today's dailies. From this it follows that my work has not changed, nor has my life, to a great extent. Perhaps I might even add that I have had to work more, in time and in substance, than previously.

[Sandor] I propose that we too should work a little -- let us get to the center of things. Out of what does this program seek a resurgence? If I examine some of the economy's important indicators, let us say, between 1979 and 1986, I see that Hungary's gross production rose by roughly 1 and 1/2 percent annually in this period. National income rose by roughly 1 percent. Real income per capita rose by not quite 1 percent. Real wages distinctly decreased by 2 percent. I also see that although, for example, while foreign trade has doubled its exports since 1975, it has gradually lost its place and share in world trade. It is generally known that our present trade balance shows a deficit, instead of this year's planned growth. The deterioration in terms of trade, the oft-mentioned deterioration in terms of trade, has been continuing for long, long years. Would you supplement or modify this indictment?

[Nemeth] Concerning the series of numbers: I believe the facts speak for themselves. To your question, I could briefly anwser that this program tries precisely to break free of this situation. Furthermore, it does so in a manner that keeps all elements of our earlier economic policy and practice of economic management, which serve the future well; but at the same time it directs attention to the points, new conditions and circumstances, to which we, as a consequence of our situation, must respond, in our actions, our attitudes, in what we work for.

In this sense, this program, on the one hand, is an organic continuation of our earlier resolutions, but with one difference: We must carry out what so far has been good, in a more pronounced and resolute manner, and we must do the same with the new elements.

[Sandor] You have said that it is a question of the partial continuation, further thinking out of the former programs.

If I understand correctly, and this is in the document that was published in full length today, this has been discussed, commented, debated by many people, at very many forums, since November of last year. As a consequence of the debate, has anything in the original ideas changed, and if so, what?

[Nemeth] I would like, for a moment, to return to the previous question, and then I shall turn to this one, too. Our program, approved by the Central Committee and published in full length, attempts to summarize an extrication from the situation in a manner that, basically, formulates and contains not only the tasks that concentrate on the economy, but approaches our social-economic problems in a somewhat broader perspective. Therefore, it is not only the economy, on which the salvo must be concentrated, but -- and this also was given great emphasis in the social debates -- we must be able to create the whole social political system of conditions which might make a resurgence, an economic upswing, grounded, in around a decade, if not with in the next 1-2 years.

[Sandor] Does this mean, in other words, that it is not possible or worthwhile, to reform an economy in itself -- that it is conceivable only together with social-political reform?

[Nemeth] It means precisely that. Perhaps I might word it roughly: even if it stretches itself -- and I add, it must stretch itself -- the economy, in itself, can achieve results but there are conditions for economic advance -- social policy conditions, political conditions, organizational conditions, conditions of institutional systems -- without which the effect of the efforts made in the economy would be lower. Our attention was drawn to this, for example, by the social debates. An you have asked whether the program has been modified. I believe that those people acquainted with the program sent out for debate unequivocally answer yes to this question.

The program has been supplemented on a large scale with several social policy conditions and proposals for working out further programs, which did not figure in the original one.

[Sandor] Would you give a few concrete instances?

[Nemeth] Of course. First and foremost, emphasis has been given in the program to social policy, a reform of the system of social insurance, wages-reform, which, from the aspect of the system of means and alongside the tax-price reform, is a very essential sphere, but which we cannot undertake at the moment because of our material resources and our situation. But this does not mean that we do not have to work out the basic principles and a system of a wages reform that would come on to the agenda when the conditions are suitable.

But I could mention sections of the ideological sphere, which, by the way, are listed according to the standpoint: the issues of the party's leading role, the division of labor between the party and government -- their rethinking in new conditions, role-acceptance and responsibility. Therefore, all these issues figure in the program. This program will launch a series of other programs, this year and in the coming years. Thus, in the fall, taking the party's standpoint as its basis, the government will submit the main directions of how to make the main trends of this position solidify the main tasks.

[Sandor] Thus, it now must be broken down into tangible tasks, responsibilities, deadline.

[Nemeth] Exactly, exactly. But this 'now' does not mean that this work has just begun. Work has progressed on two levels and in a parallel manner since December, basically. Thus, all of the government organs, the ministries, with the guidance of the party's appropriate bodies and committees, have been and are continuing this work. Now, on the basis of this standpoint, there will be a means for them to supplement the government program that is under preparation and to make it precise.

[Sandor] Are we in a situation to be able to determine when, in general if not in days, public opinion will become acquainted with the results of the government's work?

[Nemeth] I am not yet able to give an exact date, but the intention and the plan in any case is for the government to present public opinion with its program during the fall.

[Sandor] Let us then look at the program itself. The shortest summary that one can make out of the full text is that this program has two basic pillars and two phases. Would you say a few words about this, apart from what we have been able to read in spirit this morning?

[Nemeth] Perhaps I might begin with the phases, referring back a little bit to the situation. It is common knowledge that since 1973 we were tardy in our adaptation, our adjustment to the changing conditions, here and there in important areas, and as a consequence our economic problems grew and social tensions appeared. Now, when we look at the situation, we see that if we evaluate the external conditions objectively, we arrive at the conclusion that we cannot expect a substantial change in these conditions with respect to our economic work. The market will be roughly the same as the one with which we are now acquainted. In a certain sense the earlier CEMA market will also harden. And, as a consequence of the well-known openness of our economy, we have to say that we must first and foremost concentrate on our own work and on the improvement of the internal conditions.

[Sandor] Does this mean, in other words, that since the external conditions are given -- these being not too favorable to us and with little we can do about them -- then we should rather reflect about how we can more quickly adapt to these things? Because that has been one of our weakest points, if I am right.

[Nemeth] Yes, that is precisely the point. The Central Committee program, now published and approved, endeavors to sum up in a condensed form all the changing conditions necessary for the improvement of internal economic work. Now, the other conclusion of the analysis was that, while the tasks -- and this is particularly true for the economy -- are interconnected, nevertheless, the halting and then the reversal of the problems that face us, of the unfavorable trends, will be emphatically in the forefront during the upcoming years ahead. It was this which necessitated that we phase our program even if not in a rigid way. Above all there is a need, in the upcoming 3-4 years ahead of us, to improve the balance relations of our economy. What does this mean? This means that retaining the internal balance relations, and what is more by improving them, we must be able to first attain a reduction in the rate of increase of the debt, which in recent years we have been experiencing once again, and then, let us say by the end of the decade, we must be able to halt it.

[Sandor] Stop here for a moment, because we have arrived at a point where the public, I feel, is aware, or partly aware, of extremely various and contradictory information.

Earlier, when I listed the deterioration of the terms of trade as one of the problems, I wanted to ask: How great a burden is this for us, and how far does it tie our hands in this first phase, let us say, which will last 3-5 years, and in which we can expect no improvement, but only the halting of deterioration and a setting in order?

[Nemeth] Without going into details, these are proverbially big burdens. Proceeding from that, we shall endeavor to realize the above outlines process in the 3-4 years ahead of us. For at all turns it restricts our scope; it is in our fundamental political and economic interest that we should always pay on time and exactly the burdens connected with our existing debt. This is necessary in order that we may obtain the new credits needed for the normal operation of the economy; if you like I could say: for the financing of credits. This is the way it is done and known by every country in the world. That is not a problem in itself. The problem is that, after a certain level in the growth of debt, there appear further burdens that would obstruct the resurgence [kibontakozas] itself.

[Sandor] That is, in fact, when I would have to plug up one credit with another?

[Nemeth] Essentially we must be able to do that sort of thing as well. We have to tie the new resources unequivocally and decisively to the modernization of the economy and the realization of the tasks of structure transformation, by better and effectively utilizing them. It is a big experience of the last years, let us say from 1973 onwards, that in both relations, by virtue of our internal structural endowments, in which the weaknesses of our adaptability also played a part along with the lack of consistency in carrying out our system of direction, and as a consequence of the weaknesses existing in the work of our economic management organization, our terms of trade deteriorated to a large extent, to which you also referred in your introduction.

If we look at the losses, burdens, suffered since 1973, in the two relations, then, by way of a rough approximation, I would say that -- converting everything into dollars now -- since 1973 the country has been affected by a loss of about $22-23 billion; this is a terribly large amount. The Hungarian economy has, at the cost of serious efforts, worked off, again roughly, about 60 percent, or two-thirds, of this roughly $22-23 billion loss. The rest we have covered by credits, and this is the share that in today's situation appears as a debt stock, as the gross burden.

Well, this naturally has burdens of amortization, interest payment burdens; but our policy in this is unchanged: We are doing everything in order that the burdens should not increase in the future, that they shoild not restrict our scope for the resurgence. We also take it seriously that we should meet this demand in the future. That is to say that we should remain creditworthy and solvent.

[Sandor] In your exposition you mentioned two basic concepts: The improving of adaptability and the structure transformation, the modernization of the structure of the economy, which, if you will pardon the expression, rings a bell. That is, these have been heard very, very many times before, and they have been written down very, very many times. Whose task will it be, and in what form, to ensure that something will happen in this regard?

[Nemeth] Yes. One more moment as to the phases: Now, the first phase involves the task of a certain kind of stabilization of the economy, but even in this phase we shall try to manage in such ways, and we shall strive to mediate the demands to the managing organizations with such methods, so as to carry within them the seeds of the future. That is to say...

[Sandor interrupting] So it would represent a preparation for the next phase?

[Nemeth] While we stabilize, while we stabilize the economy, we shall deliberately start the technological development and the structure transformation tasks.

[Sandor] In other words, this means, I think, that in the first phase there will not be the kind of restructive policy that would stifle, and for many years postpone, technological development, for instance.

[Nemeth] In a certain sense the reduction of expenditures in certain areas will be unavoidable. In other areas, which serve adaptation to the world economy, the better joining in the international division of labor, the acceleration of technological development, there we do not want any kind of restriction, rather we want a growth that is more dynamic than hitherto; for example in enterprise investments, or in the import of machines and equipment that are important, important from the viewpoint of technical development. If we do not do this, then we would in effect be continuing to employ an unaltered restriction policy in the next (?2-3 years).

[Sandor] Then everybody would be equally badly off?

[Nemeth] Then everybody would be equally badly off. It is precisely this that will be the new element, and also a kind of guarantee, of the realization. In the case of the enterprise and the individual alike we wish to realize an income policy, a development policy, that is more differentiated than hitherto.

[Sandor] I would not want us to forget about the previous question concerning the change of structure but let me ask you something on this first: Do you already know which areas will enjoy priority in receiving the necessary resources?

[Nemeth] As I have said, the ministries and govenment commissions have been working on this since November, rather since December. Very serious analyses have been prepared for the various areas, specialist branches of industry. This has been done on the basis of an analysis of the market. I could say the same thing about the food industry, agriculture, and so on. In practice we have analyzed the entire cross-section of the economy, and on the basis of these analyses we have determined which branches are the vehicles of progress in industry and agriculture alike, that is, the branches which are the carriers of the way out, of the future.

Then, there is another group; let us use an example from the sphere of industry. The electronics industry -- not the full spectrum, of course, but those where we have the endowments, the work force, the skills, such as the robot technology industry, computing, I could go on.

[Sandor] In other words, those spheres where, breaking with the bad traditions that can be observed in other areas, instead of concentrating on material- and energy-intensive production, we focus on goods requiring an intellectual input.

[Nemeth] Yes, this is what we can utilize. This is our most important resource and if we cannot make good use of it, if we cannot use the opportunity that it provides, then we shall have missed a very great chance for the realization of resurgence. For this reason, the standpoint formulates the tasks of education as well, in a very concise but clear manner. If intellectual work can lead to marketable production of goods in which we possess advantages, this could become the mainspring of progress.

[Sandor] We have a few branches that are successful at the present time as well. What is to be their future?

[Nemeth] They must also adapt to the changing conditions and in essence we wish to continue the policy and practice that the markets -- the external market, but the domestic market as well -- should select those things from the sphere of Hungarian production that the world needs -- in the West, the East, and in the domestic market alike. This is not a new realization.

[Sandor] That is precisely what I was going to say.

[Nemeth] It is this realization that we must now pursue in a consistent manner to begin to surmount our problems and create the conditions of development.

[Sandor] Does this mean also, for example, that certain monopoly situations can also be tackled and that competition can be created through a purposeful policy of development?

[Nemeth] Yes, of course. This can be done with a determined, purposeful conduct and regulations. We must realize a program of building a regulated market, whose essence is that it should ease the tensions where it is necessary to ease them -- in other words, the government will endeavor to eliminate the situations of monopoly, the harmful monopoly situations, and to create a competitive situation in those areas where it is unequivocally clear that economic activities must be directed, influenced, and orientated by money, price, profits, and interests, that is, by financial means.

Now, a conduct and stance of this sort not only does not weaken but rather strengthens the responsiblity and task of central economic planning, and, in general, the role of the work of governmental organs. This is because the function of the central governmental economic directive organs in the economy narrows to those areas that they must deal with, determined not by competition and the market but by the government, on the basis of conscious strategic analyses, with the coordination of long-term and short-term interests, while accepting certain risks as well. These are the energy sector, the infrastructure and development connected with social policy, as well as the large area of CEMA cooperation.

[Sandor] In other words, the great strategic questions are matters for central decision.

[Nemeth] Precisely.

[Sandor] And when it comes to the market, it is in part a question of financial means and in part of the enterprises...

[Nemeth, interrupting] Well, in the processing industry, in the services, I do not want to go on listing them, but agriculture and the food industry also belong in this sphere. In these areas let us create a situation of competition; in these areas those who can produce more cheaply, those who can reduce their inputs, should have more profits released to them, so that they can use these larger profits to develop -- either to invest or to pay their workers better.

[Sandor] In other words, the situation about which a great many people, generally the managers of the successful enterprises, are complaining, namely that it is no use for them to become even more profitable, as these profits are taken from them, and in fact no one really gains and no one really loses, should come to an end. Do I understand the point correctly?

[Nemeth] This is false justice and a very bad reflex with us. Unfortunately, our system of regulators transmitted it to a great extent and is also responsible for it. Thus, the government acted in a certain sense out of necessity. It takes political courage as well to start out along the road of a selective practice, which realizes a policy of differentiation. We have to eliminate the practice of redeploying significant sums of money from those who function well for the maintenance of activities of enterprises that do not increase the national income.

[Sandor] How significant are these sums?

[Nemeth] They are very significant.

[Sandor] Please be more specific.

[Nemeth] Well, let us take the last year and a half. During the past year and a half we have devoted more than 50 billion forints to making up financial shortages.

[Sandor] What do you mean by financial shortages?

[Nemeth] Lack of working capital, losses, and so on. We have written off credits, rescheduled debts, and so on. If we aggregate the most diverse forms, it comes to 50-55 billion forints. This is a horribly large sum and one that has arisen over the course of a year and a half. Well, this 55 billion forints leaked back to those places where production was pursued at a loss or at a low level of efficiency, and the whole of society has paid for this. We must not do this. Those who have produced well, who have worked well, enterprises and individuals alike, should gain greater possibilities; and those who lack the flexibility, or who chose a wrong strategy, or who cannot organize the work well, or those who work in a careless manner, should feel the consequences quite clearly in their incomes.

[Sandor] You spoke about political courage in connection with the need to be selective and, even though you did not say it, this means that the weak can fall by the wayside. This raises certain questions that have been in the air for a long time, questions that people have been talking about for a long time, with some fear, uncertainty, and doubt. Will there be sufficient political courage to face up to the problem of unemployment, I call it unemployment for a lack of a better word, as well as with possibly even greater differentiation of incomes, and if so, who will face up to these?

[Nemeth] Look, this is where such factors come in as the need for science, the intelligentsia for propaganda, in general, for us to change direction. In other words, we must consider whether in the present climate of public opinion we should protect those who in fact do not deserve it, those protected on the basis of a false sense of justice and false, or assumed, interests.

[Sandor] Who do you have in mind?

[Nemeth] Well, for example, enterprise management should have the right and the possiblity to give notice to those who work poorly. In cases where they spoil the performance of a collective, they should not be protected. Those people will not find themselves without jobs in the long term. Naturally, this sort of movement and transformation will lead to a greater labor mobility in some branches and occupations. We cannot and do not have to give up full employment as a basic principle and endeavor.

However, the aim that within this the requirement of effective employment should be given greater emphasis, that in the sphere of the coordination of the interests of the economy as a whole and local or individual interests, the considerations and interests of the economy should be given priority -- this can involve conflicts and tensions. We have begun the preparations to minimize these, and this is something about which the program also speaks quite openly. We have a diverse armory of tools. We already possess these. I am thinking here of the network of exchanges, the system of work for the public good, the system of retraining, the retraining subsidies: these are all new things and we must get used to operating them and both individuals and enterprises must learn to use them.

We are also thinking about something else, something that the governmental organs are giving serious consideration to, namely, the creation of an employment policy fund, consisting of a large sum, which would begin to function as a fund. Let those who change structure in a technological sense, freeing numbers, receive the appropriate support from a fund such as this, and, when the results have manifested themselves at this enterprise, then let the money go back to this fund, so that it becomes available to others, contributing to the harmonization of the interests of individuals, enterprises, and the economy.

[Sandor] And what will happen to those about whom we have not spoken as yet, but who are likely to fall into this sphere, namely, those who work well but not in an area where a change of structure is under way, who were directed by random fate to some enterprise that is to be closed down?

[Nemeth] This is something that is very important: We must develop an educational system and a system of occupational retraining. I would like to appeal once again to the role of the ideologists, the propagandists: We must convey that in this rapidly changing world, a world that is quickly transformed in a technical-technological sense, it is a requirement of manual workers, skilled workers, and professionals alike that in the course of a lifetime, that is, during their working life times, they change occupations two, three, or even four times.

This is what the world demands, and if we cannot adapt to this then we shall restrict our scope from the aspect of the labor force.

[Sandor] Does this also mean that we shall have to provide our educational system and system of retraining with all those means and resources that enable them to meet this requirement for flexibility?

[Nemeth] Yes, this is what the position and program refer to.

[Sandor] Now, this whole matter has another chapter that we have not yet discussed but is something that people will, I think, ask once they have read the program and listened to this conversation. The question will be as follows: What with? With what resources shall we do all this? I would just mention one aspect of this, not even very randomly chosen; after all, we have just spoken about work and the labor force. Very many people in the country are saying: I cannot do much with the urging that we should work more. I cannot work more. I work an awful lot already, more than 10 hours a day. I suppose this is not what we expect from people.

[Nemeth] The program states quite clearly, and I think I have also referred to it, that we can begin to put the economy right by relying on ourselves and our own work, and thereafter, once we have done this, we can begin on an upward path.

We can do that once we have created the firm foundations, once the economy can, if I may put it like this, speed up the structural transformation, once it can, by improving the conditions of technological development, start out along the path of modernization. For this we have had to review the question -- and will now have to implement it -- of where we can take the resources from in order to redeploy them, and where we can redeploy them to. Within this redeployment exercise we have found areas where it is possible to find resources.

[Sandor] Could you list these in more specific terms?

[Nemeth] I would like to start first and foremost with the better utilization of the occupational skills and potentials of the labor force, then the radical transformation of our system and practice of investment.

[Sandor] Are you thinking of investing not on the basis of putting a little into many places but sufficient into a few areas?

[Nemeth] We need concentrated development that improves our competitiveness. There will be tasks here both for the government and for the enterprises. What is involved is not that we increase our rate of investment or our rate of accumulation by a large percentage. On the contrary. Of course, the situation will also require that we increase this rate by a small extent, but here again the basic requirement is the implementation of the conditions of efficiency and economy. Even in the wake of a period such as this, the stock of unfinished investments is still terribly large. We can solve this with a system of interestedness, incentives.

Then I could also say that in very important areas of the economy -- I do not mean expressly a competitive sphere by this, but in very important areas of the economy -- with an ugly word we could simply call them nonproductive areas -- they are very important areas and I would not like to devalue their role by this term, for they have their own place and role -- but in these areas we work with very high overheads and here it is necessary to adapt the tasks to the functions.

[Sandor] You are thinking here of public institutions?

[Nemeth] In a broad sense, starting with sports all the way up to certain party and social organizations, where the recapitulation of such tasks and the repeated review of functions could lead to the possibility of regrouping of the resources of manpower, money, and forces. [sentence as heard] Well, and then one has to honestly say that, in the interest of the resurgence, in a certain sense the community and population consumption will also have to be limited for a few years. This is a very harsh condition, but we cannot do otherwise. In recent years our expenditures, that is, internal consumption and our international and domestic expenditures, have exceeded the income that we have produced. This cannot be done permanently.

[Sandor] In other words, this will have a considerable effect on the standard of living.

[Nemeth] The limiting of consumption could naturally mean, for certain strata, particularly those whose performance does not increase, that their living standard will not develop the way we would like, or the way they themselves would expect. But this sacrifice, this harsher system of conditions, must be made in this field as well.

Only when we have done (?internally) everything we can, only then can we expect, with the inflow of active capital, to be able to supplement our internal resources. But I do not want to remain silent on one terribly important factor, which has a resource-creating role, and that is the system of direction. What is more, in the system of economic direction there is this important factor: The unfolding of the second phase of the reform, the ordering of relations between the state and the enterprises, the ordering of relations between the state and the enterprises, the evolving of the kind of approach in which roles and functions are clearer....

[Sandor, interrupting] And when, so to speak, we reciprocally believe one another's good intentions and everything else besides.

[Nemeth] Yes. Well, we wish to mediate a tougher system of conditions. Those who adapt to this and who work better should have better possibilities for development. But, as I mentioned in the introduction, we must be able to supplement this reform of economic direction with sociopolitical elements as well. Therefore, the rethinking of our political institutional system is also called for; ideology will also have its place and role in this, and naturally this demands the elaboration of a very consistent, complex series of programs.

[Sandor] When can the first tangible manifestation of the political changes be expected?

[Nemeth] Look, if we progress along the line of hard work, and, if I may word it thusly, perseverance and stubborn consistency, I am convinced that the positive things for which we expect these sacrifices of the individual and our society should manifest themselves roughly at the turn of the decade.

[Sandor] You mentioned in your introduction, and also several times during the conversation, that old elements that proved good, but were not carried out, mingle with new elements here. Allow me to ask, in conclusion, in what do you see the guarantee, or guarantees, that these new elements will not suffer the fate of the old elements, and that there will not be more old elements?

[Nemeth] I am convinced that if the reform is consistently taken forward, and we have no other way in this situation, if money is put in its place in the economy so that it selects and integrates the various interests; if enterprise independence and resposibility and its consequences, is put in its place; if we draw the interested parties as much as possible into the decisions on our programs, on important issues affecting all of our society; if, therefore, we provide greater social openness; if we hold a dialogue -- this was proven in the face of the program of socioeconomic resurgence -- if people feel that they have a task; if the individual knows what he is doing and why; then, I am convinced that our society and our people will still be willing to make temporary sacrifices so that we should shape the conditions of a finer, and I dare say, happier future. This also means democracy, a renewal of our institutions, too.

[Sandor] I thank you very much for the information, and I thank you viewers for your attention.

DELEGATION OF FRG'S DKP VISITS 12-14 JULY

LD141949 Warsaw PAP in English 1818 GMT 14 Jul 87

[Text] Warsaw, July 14 -- An official delegation of the German Communist Party (DKP), with its leader Herbert Mies, visited Poland July 12-14 at the invitation from the PUWP CC. Mies was accompanied by Presidium member, secretary of the DKP board Karl Heinz Schroeder. The delegation was received Monday by PUWP CC First Secretary Wojciech Jaruzelski.

During the visit, the guests held talks at the PUWP Central Committee with Political Bureau member and CC secretary Jozef Czyrek, alternate Political Bureau member and first secretary of the Warsaw PUWP Committee Janusz Kubasiewicz, and head of the CC Foreign Department Ernest Kucza.

They also met with OPZZ (All-Poland Alliance of Trade Unions) Vice-Chairman Jerzy Uzieblo and deputy head of the Office for Religious Affairs Aleksander Merker. At Warsaw's steel mill they met with the mill's managers, party and trade union activists, and worker self-management.

The guests were informed about PUWP activities aimed at an all-round implementation of the programme to accelerate Poland's socio-economic development, adopted by the 10th PUWP Congress, by way of improving economic mechanisms and strengthening and developing the processes of socialist democracy.

During the talks concern was voiced over the persisting adverse trends in the international situation, caused by the intensification of the arms race by NATO states, including the U.S. and the FRG.

The sides acknowledged the necessity to step-up efforts aimed at an active cooperation of all political forces in order to free the world from the threat of nuclear annihilation, eliminate war and violence, and strengthen peace and international security.

All communist and worker parties have a special role to play in this struggle. Both parties voice their full support for the significant peace initiatives of the Soviet Union and other socialist countries, including those to eliminate medium-range missiles. In this context the guests stressed the weight of the Jaruzelski Plan which aims at the creation of a zone of reduced armaments and increased confidence in the heart of Europe.

The sides underscored that a firm foundation for the normalization process in the relations between Poland and the FRG has been provided by the treaty of December 7, 1970. They voiced concern over the revival of revisionist forces in the FRG, which try to question the political-and-territorial realities in Europe. This is why both parties will back up with full determination the materialization of the spirit and letter of the treaty of December 7, 1970, because one who undermines European realities is threatening the security in our continent and, consequently, peace in the world.

Both parties will continue to develop and strengthen mutual cooperation in line with the principles of proletarian internationalism by making their contribution to the consolidation of the international communist and worker movement. The talks were held in a cordial atmosphere.

U.S. PROTECTION OF KUWAITI TANKERS IN GULF VIEWED

LD142031 Warsaw PAP in English 1933 GMT 14 Jul 87

[By PAP military commentator Stanislaw Masztanowicz]

[Text] Warsaw, July 14 -- Oil shipments from the Persian Gulf to the U.S. make a tiny proportion of the whole U.S. demand for oil. This truth underlied [as received] many opinions that negatively evaluate Washington's decision to protect Kuwaiti tankers.

One can, therefore, guess that there was another reason behind the decision to form convoys shielded by U.S. warships. It seems that next to the political reason, which is to show U.S. military presence in the Gulf, there is also another one of a military nature.

As far as one can presume, convoys are the goal. Adding convoy-handling to NATO exercises shows that these questions are regarded as very important. This allows presuming that the Gulf provides a dreamt-of opportunity to test some tactical concepts under conditions of fairly real threat. One can further presume that this is one of the causes, a purely military one, of engaging U.S. Navy for the protection of Gulf convoys.

In the Gulf, the U.S. Navy can test, under conditions of a real threat, its sea convoy-shielding forces aimed against aircraft, ships, missiles sent from land, and attacks by subversion troops. Undoubtedly, the U.S.-escorted convoys in the Gulf may be threatened by Iranian ships, they may enter the firing range of Iranian Earth-ship missiles and, moreover, they may be the target of special groups using [word indistinct] vessels and tactics of special-purpose troops.

WORLD BANK'S LARI ON ECONOMIC REFORM

AU140812 Warsaw RZECZPOSPOLITA in Polish 3 Jul 87 pp 1, 2

[Excerpts] PAP -- After an interval of 1 year, Eugenio F Lari, World Bank department director, has come to Poland for a second time. He held talks in Warsaw concerning the last stages of work on the bank's report about the state of our economy.

On 2 July E. Lari met with a group of several journalists. [passage omitted] PAP journalist Jan Cipiur asked E. Lari to assess the provisions of the second stage of the economic reform.

"On the basis of an initial reading, I would say that the provisions have been well formulated. But it is important that what has been well formulated is well put into practice. What I understand by this is for there to be cohesion between activity and the rate at which changes are introduced. For several years reform issues have been and are being discussed both in Poland and outside your country. This discussion has centered on, among other things, the extent to which Poland's economic reform was and is being implemented. Thus, it is natural to ask about the rate, the speed with which the reform is being introduced, that is, to ask about whether administrative limitations and the absence of adjustment programs for individual areas of economic policy will not delay or arrest the process of reforming.

"This time there are good signs that the likelihood of success in implementation is far greater than in the past. The talks that I have had with ministries and the Polish National Bank have convinced me that there is broad consensus and agreement about the character of the reform and about individual reform solutions. It seems that the plan for implementing individual steps has been well worked out. This is the basis for commencing talks with the World Bank on the subject of loans for Poland, and I expect this will happen before the end of this year.

"I would like to stress, above all, that the reform must be planned, supported, and implemented in Poland by the Polish authorities and by Polish society. It cannot and should not be a reform imposed from outside. Assistance from outside will be strong and effective when the reform in Poland is strong and effective.

"In my opinion, the main factor for success will be political support, support from the government and the administration and, of course, from the country's life force--by that I mean the support of managers, workers, peasants, and society as a whole. But if resistance instead of support is what arises in one of these groups, then the implementation of the reform will of course become difficult. Actually, I expect there to be resistance of this kind, because if there were no such resistance, the reform would not be a serious undertaking. I think that a certain part of the administration may offer such resistance.

Resistance may also come from ineffective, loss-making enterprises, because the aim of the reform is to reward the efficient and punish the inefficient.

"The reform is a fundamental element for the question of World Bank assistance for Poland. Poland is not a poor country, not like some African states for example, in which World Bank support comes down to building an infrastructure. In the case of Poland, it is a question of World Bank support for your country's economic policy." [passage omitted]

JARUZELSKI, MESSNER ATTEND OPENING OF SEJM SESSION

LD151052 Warsaw PAP in English 0904 GMT 15 Jul 87

[Text] Warsaw, July 15 -- The Polish Sejm (parliament) started here today its two-day debate, attended by Wojciech Jaruzelski and Zbigniew Messner. Sejm Speaker Roman Malinowski gave the floor to Deputy Danuta Juzala (PUWP) who speaks on behalf of the committee for economic plan, budget and finances.

1986 ECONOMIC REFORM IMPLEMENTATION REPORT REVIEWED

AU151131 Warsaw TRYBUNA LUDU in Polish 9 Jul 87 p 3

[Excerpts] PAP -- The latest report on the implementation of the reform during 1986 prepared by the Council of Ministers Planning Commission is an extensive document amounting to more than 200 pages. In drawing up the document, all available preliminary material and assessments were used. Particular attention was focused on the results of a questionnaire (an anonymous one) that the Planning Commission sent to more than 2,700 different economic units. [passage omitted]

Last year saw a whole series of institutional changes put into operation. These changes were adopted in 1985 and were the product of a national party economic conference held in Poznan at the end of May and the beginning of June. Most of the suggestions resulting from the conference have been put into effect. Many significant institutional changes that have an influence on the functioning of the economy were introduced in 1986. These changes included solutions such as the creation of resources for untaxed wages, a progressive tax on supernumerary pay; making enterprise development funds contribute to the fund to service the foreign debt; permitting enterprises to issue bonds; increasing opportunities for organizing joint undertakings; differentiating revenue tax concession levels for exports; stiffer criteria for beginning proceedings in enterprises in connection with the changes to the law on improving state enterprise management and state enterprise bankruptcy. Changes were introduced to concessions on amortization payments and revenue tax concessions for investment under government orders. The use of price increase ceilings was extended in place of banning price increases.

A qualitatively new element in the functioning of the economy, especially with regard to the system for planning and managing, was the conclusion of work on the National Socioeconomic Plan for 1986-90. For the first time, the decisions contained in the law on socioeconomic planning were fully applied in planning practice. The 5-year plan was adopted, and both plan variants and the draft plan itself were the subject of extensive social consultations. A similar process of consultation -- with the trade unions -- was employed with regard to that part of the Central Annual Plan for 1987 dealing with wages, prices, and working and living conditions.

The process of preparing a draft National Socioeconomic Plan and approving it created a new practice of achieving social compromise in matters pertaining to the economy and consumption. At the same time it also revealed how difficult it is in many instances to achieve the necessary social compromise with regard to the way in which resources ought to be disposed of.

Last year confirmed the lasting nature of the trend, which has been in evidence for some years, toward an increase in the activity and status of work-force and regional self-management bodies. An example of this is self-management activity in the enterprise economic field and substantive self-management involvement in the planning process. However, this is not a trend that manifests itself to an equal extent everywhere. It occurs in large enterprises most of all.

The levels of ties between economic units and the flow of capital (both actual goods and financial capital) between enterprises ought to be -- in accordance with the provisions of the reform -- a significant element for activating the economy and structual changes. Last year saw a certain increase in the number and scale of ties of this kind, which extend beyond simple cooperation and supply ties. This was aided by the introduction in 1986 of regulations on the financing of joint undertakings and growing use of the trade law regulations governing companies. However, the scale and scope of these ties was not sufficient for it to be said that they have become an economic factor for shaping reorganization processes in the economy from below. The nature of these ties also stems more from supply needs than from a trend toward obtaining the highest possible economic surplus.

Organizational changes initiated by enterprises independently continue to occur at a slow rate. The creation of new enterprises in all sectors of the socialized economy occurred on a very small scale. Undoubtedly, alongside economic obstacles (limited resources) there is the more serious problem of the little interest shown by participants in the process, which is attributable to both institutional and psychological factors.

However, some progress has been made in the system for managing the economy as a whole by employing institutional financial instruments. This particularly applies to solutions aimed at boosting exports by going over to increasingly parameter-oriented and area-based solutions.

At the same time there was continued pressure for individual solutions and for central intervention to improve the economic situation of individual enterprises and their groups. The most sensitive area was that of pay, as was the case in previous years. The elimination of these tendencies and, in particular, the resolution of problems concerning a rational level of resources for wages in relation to economic efficiency is an issue of first-rank importance for both the functioning of enterprises and the economy, and for the restoration of economic equilibrium.

The efficiency of economic mechanisms continued to be unsatisfactory from the viewpoint of the aims of both the reform and the National Socioeconomic Plan. Especially negative factors in this regard included the continued lack of economic balance and the strong pressure maintained by individual groups of the population in order to preserve their present economic situation by enforcing corrections to solutions and individual indexes. This also helped to maintain the trend toward increasing the volume and range of subsidies and thereby toward an irrational structure of prices and an extensive range of redistributive functions of the budget.

The social awareness of the economic reform in 1986 was characterized by various trends, which were influenced by the economic situation and the social discussion connected with the 10th Party Congress and the successive stages of the work on the draft 1986-90 National Socioeconomic Plan.

In the period before the congress resolutions, people's interest in the reform and its effectiveness continued to decrease, but this trend changed in the second half of the year. However, views on the reform and on the rationality and effectiveness of its solutions continue to differ, depending on one's social and professional position and one's personal economic situation. The continued preservation of egalitarian trends within broad segments of society is especially disadvantageous.

Analyzing in detail the functioning of all economic mechanisms, including the fiscal system, solutions in the economy concerning materials, the price setup, and administering wages, manpower, the development of exports, and investment activities, the report confirms the thesis that economic balance is of decisive importance for the effectiveness of the economic, reform. The report also states that balancing the flow of consumer goods, production materials, and investments is the foundation and goal of the reform. This is the basic condition for the efficient functioning of the socialist economy, which is planned centrally, but which is based on the broadest possible employment of market mechanism.

Considering the process of balancing the economy from the viewpoint of gathering, disposing of, and transferring fiscal resources in 1986, we can say that the disadvantageous trends that have been in evidence for the past few years have not changed. For example, the high dynamics of subsidies for plants in 1986 shows that the state budget's redistributive function in settling accounts with plans has increased and that the principle that plants are financially autonomous has been realized to a lesser extent. The state budget deficit also persisted, which was a disadvantageous phenomenon from the viewpoint of the reform's implementation and of fiscal instruments' effectiveness.

Although enterprises increased their own funds considerably, loans were granted to them in excess of the plan in order to finance their turnover resources. That is why they were able to pay for large-scale increases in stocks and, at the same time, to increase their funds to pay for higher wages and investments. The role of bank loans to finance the plants' investments was not strengthened, and this made it impossible to verify the effectiveness of investment decisions made independently by plants themselves.

Last year's results show that wages went up again at an accelerated pace, which was a disadvantageous feature from the viewpoint of equilibrium. The report lists some of the main reasons for this as follows:

-- Inconsistently applying institutional solutions to mining, energy, and metallurgy and inconsistently defining taxation limits.
-- The impact of preferential solutions on export production and the plant economic teams.
-- Applying to some low-paid workers the wage fund formula that allows for high wage increases; this is especially so in market trading, ball bearing industry, and research units.
-- In wages, a large proportion of elements that have no direct bearing on results of work.

The aforementioned evaluations show that the main inflationary dangers occurred in the area of wages and resulted from the people's pressure for higher wages. The poor effectiveness of the system by which wages are kept under control encouraged this pressure, and all the premises of this phenomenon occurred last year -- efforts to recover the previous level of consumption, to remove differences in wage increases, and to catch up with leaders in earnings, while using arguments based on manpower shortages. [passage omitted]

PROPOSALS FOR 1988 GOVERNMENT ORDERS DISCUSSED

AU081326 Warsaw TRYBUNA LUDU in Polish 4-5 July 87 p 2

[Text] PAP -- The 3 July session of the Planning Commission Presidium discussed the draft legal solutions and economic-fiscal instruments that are part and parcel of the 1988 Central Annual Plan and of the tasks of the second stage of economic reform. The session was chaired by Vice Premier Manfred Gorywoda.

The drafts concerned the government orders in 1988, the amortization of fixed assets, the updating of the evaluation of fixed assets, and curbs on centrally financed imports.

The system of government orders plays an effective role in stimulating production, removing production, technical, and technological difficulties, and eliminating market shortages. The main shortcomings of this system include the impossibility to guarantee the necessary foreign currency, materials, and equipment for all the executors of government orders. It is true that in view of this the present range of multiyear government orders for repair-building materials, products, and services (79 items) will be maintained, but, at the same time, one-year orders will be reduced by a quarter (to 41 items). While 17 government orders (including string for farming work, stainless steel cutlery, washing machines, pressing irons, sewing cotton, and electric bulbs) will be eliminated, three new items (the "Jad" heat exchangers, wool yarn, and wool-like yarn) will be introduced. The session stressed that these measures had been preceded by detailed analyses of the production and consumer situation in order to prevent any worsening in the flow of goods.

In line with the Sejm decisions, the last two operational programs connected with health protection and food production will be eliminated as of 1 January. Improvements in these areas (for example, an 18 percent increase in pharmaceutical production in 1988) will be ensured by the fact that 3-year government orders will replace the present operational programs. In order to realize government orders, convertible currency means have been set aside to pay for imports from the first and second payment areas. It is estimated that the volume of the 1988 government orders will consume about 12 percent of all production materials.

Aside from regulating the appropriate legal enactments included in various documents, the Council of Ministers draft decree on government orders provides for curbing the interference of the founding bodies in the conclusion of contracts.

The Planning Commission Presidium also adopted the proposal of the Ministry of Domestic Trade and Services that the list of consumer goods that are centrally administered be reduced by two-thirds.

The Presidium examined the Council of Ministers draft decrees on the amortization of the fixed assets owned by units of the socialized economy and on updating the evaluation of fixed assets. It also examined the proposal to reduce the list of the goods that are centrally financed and imported from the second payment area.

PAP COMMENTATOR VIEWS JARUZELSKI PLAN

AU101434 Warsaw ZYCIE WARSZAWY in Polish 6 Jul 87 p 2

[Commentary by PAP's Andrzej Rayzacher: "The Jaruzelski Plan -- It Is Better To Listen To Poland"]

[Excerpts] The period of nearly 2 months since 8 May, when Wojciech Jaruzelski announced at a PRON session the Polish plan to reduce arms and increase confidence in central Europe, has caused many interesting reactions abroad, which proves that Jaruzelski's plan has fallen on fertile ground among those to whom it was addressed between the Danish straits and Danube valley, and even beyond. [passage omitted]

As the PPR State Council chairman said at a press conference in Tokyo, Poland will present details of that proposal to individual governments. [passage omitted]

The plan has appeared at the right moment, in other words at a time when, because of the spirited Soviet-U.S. talks on "Euromissiles" inspired by Mikhail Gorbachev's initiatives, there is an increased demand for new and constructive thinking on the subject of the unresolved problems of military security that constitute "blank spots".

The plan combines the following four features into an organic whole in an original way, namely: conventional weapons with a particularly powerful and accurate strike capability, battlefield nuclear weapons particularly suitable for offensive operations, a revision of military doctrines (so that they may be bilaterally regarded as purely defensive), and confidence-building and verification measures. [passage omitted]

The Jaruzelski Plan is rooted not only in the historical experience of the Poles, but also in their national interests and in the need for our state's national defense. It also enjoys support among Poland's allies. Without this support it would not have real value. [passage omitted]

This allied aspect of the Polish plan significantly underscores a certain, very essential feature of it which introduces Poland's initiative to the current of disarmament debate that will hopefully lead to a "double zero option" of medium-range and operational-tactical nuclear weapons. Indeed, Jaruzelski suggests the logical addition of a "third zero" to this solution by including battlefield nuclear weapons. This is understandable, because any Polish plan that failed to take this category of mass-destruction weapons into account would not be credible -- neither at home nor abroad. [passage omitted]

Although they do not wish to say so officially, the plan's opponents are seething with doubt. For example, AFP has reported in a Paris dispatch that they believe that the plan's implementation would "have a negative effect" on NATO's military strategy and would weaken the foundations of the U.S. military presence in Europe and the FRG's conventional forces, which are regarded as the "foundation" of Western military potential. They are also saying that the time to "denuclearize" Europe is not yet ripe. Others, for example, the U.S. State Department spokesman, have immediately adopted a negative attitude toward the plan, pretending that it ignores the conditions resulting from the balance of forces and "fails to take geographical asymmetries and other disproportions into account."

The Jaruzelski Plan -- as everyone who has acquainted himself with it knows -- does not duplicate the other proposals of the Warsaw Pact states. After all, this would be pointless. [passage omitted]

The aim of the Polish plan is to expand the field of vision to include those trends and spheres of thinking concerning European military security, and those systems of disarmament that have not been covered by any existing forum of East-West dialogue. [passage omitted]

Objectively-minded commentators view the Polish plan as convergent with the initiatives of other socialist states, but consider it "more ambitious" (THE WASHINGTON POST). Its advantage is that it "does not lay down preliminary conditions" and offers "the possibility of developing it jointly" (KOELNISCHE RUNDSCHAU). C.V. Lafebre, former member of the defense consultative committee in The Hague, advises the following in an article in TROUW: "It is better to listen to Poland. The Jaruzelski Plan merits serious treatment by the West." It is to be believed that when the Polish memorandum reaches the 35 CSCE participating states soon, they will all behave in the way suggested by the Dutch politician.

MESSNER ADDRESSES COOPERATIVE LEADERS 3 JULY

AU071747 Warsaw TRYBUNA LUDU in Polish 4-5 Jul 87 p 2

[Text] PAP -- As economic indexes proves, the cooperative movement has been an important echelon of the economy for years. [paragraph continues]

As one such index for 1986 shows, cooperative shops accounted for 68 percent of the entire domestic trade turnover, cooperative restaurants and cafes accounted for 73 percent of all catering, and cooperative workshops accounted for every second service for the population. The cooperative movement is also a force in procuring farm produce and in housing construction. All this and the problems of the cooperative movement were discussed during the 3 July Warsaw meeting between Premier Zbigniew Messner and representatives of the Supreme Cooperative Council in connection with the coming Cooperative Day, which is also celebrated abroad.

Jan Kaminski, chairman of the Supreme Cooperative Council, stressed that cooperative achievements could never have been possible without the democratic forms of cooperative management and husbandry, which have benefited by the economic reform and which will be developed during its second stage. Activities to intensify the priniciples of self-government and of sound business accounting are of special importance. This is one reason why the Supreme Cooperative Council supports the policies calculated to improve the economy's performance.

Those speaking from the floor drew attention to the extraeconomic function of the cooperative movement.

Zbigniew Messner said that the cooperative movement is a natural platform for the economic reform and that the movement had developed on the principle of self-help, that is, through the militancy of the persons concerned and the pooled fiscal resources. This is precisely the reason why the movement has anticipated some solutions proposed by the economic reform. We intend to spread the many qualities of the movement throughout the economy with the help of the second stage of the economic reform. However, despite these qualities, the cooperative movement has not been fully appreciated in the past years, and this has resulted in many unfavorable features, including the inadequate investments in the trade and service network. Despite these difficult conditions, the cooperative members have made and continue to make a considerable contribution toward restoring the correct functioning of the market.

The premier said that there were still considerable production reserves to be tapped by the cooperative movement and that it was important to stimulate the activity of self-government bodies in order to make cooperative members regard themselves as coowners of job postitions. The premier announced that decisions would soon be made to review in certain areas the correctness of the 12-percent curb on wage increases. Certain everyday services will no doubt be included in this.

Z. Messner praised the work of cooperative members and wished them fruitful efforts.

POLITBURO 7 JULY SESSION COMMUNIQUE ISSUED

AU141620 Warsaw TRYBUNA LUDU in Polish 9 Jul 87 pp 1, 2

[PAP: "Communique From the PZPR Politburo Session"]

[Text] On 7 July, the PZPR Politburo appraised the implementation of that part of the 10th Congress resolution dealing with housing construction. The results so far were considered unsatisfactory, and urgent measures to improve the situation were called for.

The low-level performance of this year's tasks threatens the implementation of the 1987 plan. As a result, it will not be possible to fulfill the provisions of the 5-year plan without increasing efforts in the next 3 years.

Improving society's housing conditions, one of the greatest social problems, depends to a major extent on the efficient functioning of the entire economy. Housing construction must be one part of the economy that develops more quickly. It must increase from one year to the next the number of apartments, both state and private, that are handed over for use, and it must permit the implementation of the broad program of refurbishing and modernizing buildings. Building sites must be prepared and communal services, power stations, drainage systems, and water pipelines installed at a faster rate than the construction of housing settlements.

The modification of housing policy, including the system of finance and credits and the rules governing exchange of housing, must be accelerated. The second stage of the economic reform must involve more efficient work by building and refurbishing enterprises. All the component bodies of the investments process must be made more interdependent, and the earning of architects and contractors should be made dependent on the end result of their joint work. It is essential to publicize the brigade system of work, carry out thorough job certifications, and curb administrative personnel.

The Politburo indicated to the government the need to urgently work out a program and schedule of immediate and long-range undertakings aimed at eliminating the distortions and shortcomings in this branch of the economy.

The government will appraise the economic-financial system in construction and the effect it has on quality, punctuality, and costs. It is necessary to establish effective ways of controlling investments process, making better use of production assets such as prefabricated housing factories, and improving work organization. The reasons behind the glaring disproportions in housing construction from one voivodship to another must be examined. Conclusions, including those concerning organization and cadres, will be drawn from this. It is essential to examine the undertakings of other government departments from the point of view of the needs of housing construction, so that deliveries of materials, equipment, and commodities proceed according to the housing construction plan. The question of heating and the possibility of a faster introduction of tougher norms governing heating must be examined. All these undertakings must form a cohesive, bold, and concrete program that reflects economic reality and social expectations. The program must define the personal responsibility of its implementers -- from top to bottom.

The duty of voivodas to undertake all possible action to eliminate delay in the preparation of building sites for state, private, and cooperative accommodation was indicated. It is essential to verify designs, so that forms of construction that are more efficient, cheaper, and durable receive priority. It is urgently necessary to simplify the procedures applicable to citizens who wish to start building their own accommodation. They should be assured of advice and help.

The Politburo stressed that performing the tasks set out in the 10th PZPR Congress resolution aimed at improving society's housing situation is one of the chief tasks facing party organizations, party managements and collectives, and all units taking part in the process of construction and delivery of materials, equipment, and commodities for the needs of construction. The Politburo placed party organizations and cells under an obligation to analyze periodically and systematically the situation in housing construction and the communal services, and impose concrete tasks and draw appropriate conclusions in order to implement the provisions of the 10th Congress.

PZPR Central Committee departments were asked to carry out, together with the party aktivs in party cells, a review of enterprises and building sites, and to hold party talks with those persons responsible for the results of housing construction.

The role of the Housing Council in preparing and holding consultations on innovative changes to housing construction and state housing policy was underlined.

The Politburo expressed its appreciation for professional, social, and youth organizations, and scientific-technical associations for the energy with which they prepare improvements to the system of housing construction and encourage people's concern for the joint assets entrusted to them.

An important social role is played by the initiatives of organizations, associations, and individual residents, especially in cities where architectural monuments require constant care and maintenance. In particular, the concern of the citizens of Krakow for the monuments of their city was underlined.

Appraising the state of preparations for the second economic reform stage, the Politburo discussed and praised the results of the discussions so far on the second stage theses and the performance of their provisions.

As an inspirer, organizer, and participant in this discussion, the party has set its tone. Such a role by it in programming and implementing the reform is an important method of party control over socioeconomic restructuring.

The following made significant contributions to the discussion: the PRON National Council's Executive Committee, ZSL and SD bodies, Sejm commissions, Sejm Socioeconomic Council, and various advisory bodies. The participation of the OPZZ, Polish Society of Economists, Chief Technical Organization, Scientific Society of Organization and Administration, Association of Bookkeepers in Poland, and Federation of Polish Lawyers has been energetic and original.

Party members have taken a creative part in the debate on the concepts of the second economic reform stage. Interesting proposals, among other things, were contained in the following:

-- The opinions of voivodship committees, summarizing the views of over 4,000 factory party organizations;
-- Conclusions from several hundred enterprises submitted directly to the Central Committee;
-- Appraisals worked out during five regional consultations with enterprise directors and chairmen of workers' councils, factory committee first secretaries, and chairmen of the factory trade unions of the 208 largest enterprises in Poland.

The Politburo said that an analysis of the results of the discussions inside the party and among society, including the stances of the economic policy, economic reform, and workers' self-management commissions, shows that there is general approval of the second economic reform stage provisions, in other words a restructuring of the system of economic functioning, increased economic efficiency, a consolidation of equilibrium, and an encouragement of development trends and enterprise.

Maturity has been a valuable feature of the party and social discussions. It was marked by constructive criticism and realism, illustrated by the fact that the experience of workforces and enterprises was considered side-by-side with the provisions of the second economic reform stage. Criticism of some of the theses was usually accompanied by the formulation of one's own views and solutions and the seeking of better solutions.

Right now, the main practical problem is to precisely define concrete solutions, including the correct selection of "paths of access" and a bold entry into the stage of practical implementation. The determination that was displayed during the discussions and the visible social support given to radical reforms and bold steps by opinion-giving millieus has to be translated into practice and concrete activity. The above stance should serve as the chief guideline for the work of the government and the educational work of the party and other social forces involved in the reform.

The urgency of the second economic reform stage requires that the government present at the July Sejm session the main conclusions from the social discussions, as well as solutions which will be applied without further ado and solutions which still require further study and analysis. This report should be supplemented by an outline program of implementation. The government will submit a developed, detailed second economic reform stage program to the Sejm in October.

The Politburo asked the government to employ cooperation between as many experts as possible in the work on finalizing solutions, especially scientists, economists, and social activists who have voiced their own alternative conclusions and proposals.

The discussion has revealed the great expectations that society places in the acceleration and enhancement of qualitative changes to the economy. Despite the many keen difficulties still felt in the period 1982-7, considerable progress has been achieved by means of a huge effort, especially if one considers the drastic 40 percent drop in imports from the capitalist countries, the 20 percent reduction in working hours caused both by a nominal shortening thereof and a fall in employment, the population rise by over 2 million, the restrictions and discriminatory practices against our country, and the commencement of payments of the interest on our debts.

Under these unprecedentedly difficult conditions, the economy has already reached a level of industrial output that is higher than it was in 1978, as well as a rise in exports and productivity. The first stage of the economic reform brought important changes to management methods which have also been noted and appreciated by foreign experts. This provides a basis for the successful implementation of the second stage, the sense of which is to radically increase the effectiveness of mechanisms and make further qualitative changes to management. The purpose of all these changes is a flexible and efficient economy, a strong currency, efficient and effective management from enterprises up to and including the modified structures of center, and most of all, a constant improvement in the standard of living.

Fulfilling these aims is neither easy nor painless. That is why it is so important to achieve understanding and general social approval for them, and to convince society that "more difficult" leads to "better," show the citizen the role he has to play in these transformations, and reveal the advantages which the introduction of these transformations may bring to people who are industrious, creative, and disciplined. It is they who will transform the provisions of the second reform stage into practice, to the advantage of the country and for the sake of their own prospects. The goals of the second stage define all this.

The Politburo acquainted itself with the official visit to Japan by State Council Chairman W. Jaruzelski.

The reception accorded to the Polish delegation by the supreme authorities and Japanese society and was highly assessed. The talks and meetings with Prime Minister Yasuhiro Nakasone and other leading Japanese politicians and economic figures were regarded as very important and useful. During these, a broad exchange of views on the subject of a further development of bilateral relations and on international affairs was carried out, with special reference to diasarmament and East-West relations.

The Politburo indicated the need to continue and expand Polish-Japanese dialogue and contacts at various levels because of its importance for the joint activity of both states aimed at consolidating peace, security, and international cooperation.

The decisions connected with the implementation of concrete undertakings serving to enhance economic cooperation, including the possibility of Japanese involvement in modernizing some branches of Polish industry, were positively assessed.

The conviction was expressed that further contacts will expand and intensify economic cooperation and increase the trade turnover between both countries.

The meaning of Polish-Japanese cultural and scientific exchange for a better mutual acquaintance of both peoples was underlined, and the possibilities of a further development thereof was welcomed.

The Politburo expressed the conviction that W. Jaruzelski's visit will strengthen the friendship between the Polish and Japanese peoples and expand the cooperation between them to the advantage of both peoples and world peace.

Giving a high assessment of the results of the visit, the Politburo called on the government to implement the decisions stemming from it.

COMMUNIQUE ISSUED ON 9 MAY LOT DISASTER

AU071711 Warsaw ZYCIE WARSZAWY in Polish 1 Jul 87 pp 1, 6

["Communique by the special government commission appointed to investigate the causes of the LOT aircraft disaster"]

[Text] The government commission under Deputy Premier Zbigniew Szalajda that was appointed by the chairman of the Council of Ministers in order to investigate the causes of the disaster involving the LOT Polish Airlines Il-62M aircraft outside Warsaw on 9 May 1987 has completed its work.

The commission states that the disaster was caused by the destruction of one of the four engines (the inside engine on the left side) while the aircraft was in the vicinity of Grudziadz at a height of 8,200 meters. The destruction of the engine was directly caused by the disintegration of the low-pressure turbine, caused by the crankshaft of this turbine falling off. In turn, this crankshaft fell off because of a faulty support inside the crankshaft of the high-pressure turbine, caused by a worn ball-bearing that formed part of this support. The result was that this crankshaft began to rotate with increasing eccentricity and thus led to a decrease in the clearance between the low-pressure turbine crankshaft and parts of the high-pressure turbine crankshaft.

During the critical flight phase, the wear on the ball-bearing reached a stage where a great amount of heat was generated, as a result of which the stress resistance level of the low-pressure turbine crankshaft fell. The destruction of the crankshaft disconnected the low-pressure turbine from the low-pressure compressor driven by it. For over a dozen milliseconds, the entire power of the low-pressure turbine was spent on propelling its fan, as a result of which the revolutions of this fan increased and led to the fan being detached by centrifugal force. Parts of the disintegrated low-pressure turbine fan damaged the neighboring (left external) engine, destroying it completely, and punctured the starboard part of the aircraft's airtight fuselage, causing decompression. The elevator controls were damaged, electric cables were cut, and a fire broke out in the aircraft's baggage compartment.

Despite the extremely difficult situation in which the crew found themselves, their actions were rational and totally aimed at saving the lives of the passengers.

Using only the elevator's auxilliary control surface (trimmer) to maintain the aircraft's level flight in accordance with the flight manual, the crew descended to 4,000 meters. During this time the flight instruments did not show the fire in the hold because the electrical cables had been cut. The crew decided to continue to Warsaw, the time required for this being equal to the time necessary to carry out an emergency fuel jettison.

Approximately 12 minutes after the malfunction, the crew, having in mind the aircraft's technical state, demanded permission to land at Modlin. Modlin airport agreed to receive the aircraft. The crew was informed about this 2 minutes later. At that moment the aircraft was approximately 80 km from Modlin airport at an altitude of 3,000 metres, and 120 km from Warsaw airport.

Because of the fire, the crew lost the ability to steer the aircraft, which led to its tragic crash 5.7 km from the Warsaw runway.

After carrying out investigations, which included a test flight in an Il-62M during which the critical phase of the flight was reproduced, the commission states that the crew's conduct and captain's decisions were correct. Although under certain conditions it is possible to conduct flight by means of the elevator trimmer, a landing in this technical state was shown to be impossible.

The commission stated that the crew's training, psychological-physical condition, and conduct during extremely difficult flight conditions was above reproach and did not constitute a cause of the disaster. The ground service personnel, weather, and air traffic controllers also had no effect on the disaster.

In order to prevent similar accidents, the commission has:

1. Withdrawn the fuel tank situated in the aircraft's vertical stabilizer, reduced the time interval between engine service (from 3,000 hours to 2,000 between major overhauls), and made the rules governing checks on ball-bearings and fire control equipment more stringent;

2. Asked the aircraft manufacturer to make use of the decisions and conclusions stemming from the investigations into the disaster;

3. Placed the management of LOT under an obligation to improve technical checks, diagnostics, and service procedures on aircraft.

The commission thanks the residents of the Grudziadz and Warsaw regions for their citizen-like attitude, thanks to which rich material for investigations was gathered. Functionaries of the Citizens' Militia, soldiers of the Pomeranian Military District and air forces, and local administrative authorities performed conspicuous services in the search for clues. Militia functionaries, fire brigade units, soldiers of the Polish Army, forensic experts, foresters, and Warsaw technical services displayed a dignified and dedicated attitude while making the scene of the crash safe, eliminating the effects, rescuing victims, and collecting pieces of the aircraft.

Distinguished specialists from various spheres of aviation, technical colleges, scientific institutes, and production plants took part in the investigations. Deserving particular mention is the participation of specialists and scientists of the Polish People's Army in the work of the commission. In accordance with the rules of the International Civil Aviation Organization (ICAO), specialists representing the aircraft manufacturer were present during the work by the group of experts. These specialists gave access to essential research material.

The commission has also taken into account the decisions reached during investigations carried out by the Office of Investigations of the Ministry of Internal Affairs under the supervision of the Warsaw Prosecutor's Office.

Exhaustive information on the investigations into the disaster and detailed conclusions are contained in the commission's report. The report will be made available to all institutions responsible for making recommendations, specialists, and experts. The report plus conclusions will be sent to the aircraft manufacturer.

Signed: Deputy Premier Zbigniew Szalajda, chairman of the special government commission appointed to investigate the causes of the LOT air disaster.

SEJM REPORT ON AGRICULTURAL SITUATION

AU010702 Warsaw TRYBUNA LUDU in Polish 19 Jun 87 p 4

["Abridged version" of speech by Agriculture Minister Stanislaw Zieba at the 17 June Sejm session in Warsaw]

[Text] The situation in the agricultural and food complex in 1986 provided and revealed the following main results and economic trends:

-- The growth rate of production, which has been very positive during the last 6 years, established itself even more. The results achieved during previous 5-year periods were exceeded.

-- We exceeded the planned figures for the year 1990 concerning agricultural production in a series of primary agricultural spheres and concerning consumption.

-- We introduced efficient production methods, especially complex technologies, on an increasingly broader scale.

-- We balanced out our foreign trade in agricultural produce for the first time in 13 years.

-- There was an increase in supplies of most production resources compared with 1985.

But at the same time, keen difficulties made themselves felt, especially the following:

-- Insufficient increases in supplies of production resources and materials to agriculture and the food industry, especially pesticides, coal, lime fertilizer, mineral fertilizers, machinery, and equipment. However, deliveries of tractors and agricultural implements were definitely more favorable.

-- There was insignificant progress in parceling and exchanging land, which restricted a rise in productivity in farms with a troublesome land layout.

-- Completion of agricultural investment projects was also unsatisfactory, even though the plan for investment outlay was fulfilled for the first time in recent years. The investment plan in those industries that produce for the needs of agriculture was underfulfilled by far, especially in the chemical industry.

In 1986, total agricultural output rose by 4.9 percent, a higher rate of growth than planned. Management efficiency increased. The results of the work of agriculture show that if Polish agriculture receives the production resources it is meant to receive, then it can afford to increase output by 3.5 percent per year. This is not so much an optimistic forecast as a feasible one based on the possibilities of further progress and taking into account the danger of sudden collapse if the effects of the economic weakening of agriculture and food processing, insufficient supplies of production resources, insufficient investments, and inclement weather accumulate. And this may happen in any year.

Life has confirmed that the stable and future-oriented agricultural policy defined in the Ninth PZPR Congress resolution and expanded in the decisions of the joint 11th PZPR Central Committee and ZSL Supreme Committee Plenum has encouraged farmers in all sectors to gear themselves to production. To prevent rural development forces from weakening, this policy must be consistently implemented by the entire economy.

For the first time, the grain harvest in 1986 exceeded an average of 3 tons per hectare, and the yield totalled 25 million tons, which is 650 kg for every Pole.

Even with the present rate of population increase, we stand a chance of producing more than 750 kg of grain per Pole over the next 3 years by increasing the harvest to about 3.5 tons per hectare. This would make the Polish economy fully self-sufficient in grain for consumption and animal feed purposes.

The Ministry of Agriculture, Forestry, and Food Economy has worked out on the basis of practical results a development concept for complex technologies that contain the key to this goal. The government will examine it shortly. However, the most important conditions that must be met are: a 100 percent increase in the application of lime fertilizer (for which the government has issued a final decision), increased mechanization of land cultivation and plant care, an increased use of plant protection agents, better technical improvements to land, and improvements in the procurement and storage of produce.

The good plant production results were mostly due to the work of the best farms in all three sectors of agriculture, especially those where the technical level of land cultivation and the skills and knowledge of farm workers have clearly improved in recent years. Institutes and other premises involved with animal breeding and seed production, plus the work of voivodship centers of agricultural progress that are under the social control of regional branches of the national union of farmers and agricultural circles and cooperatives, are largely responsible for this.

Unfortunately, an insufficiently developed level of processing prevented a maximum use of agricultural raw materials to bring about a much-desired increase in the range of food commodities for the domestic market and exports, and failed to achieve the expected improvements in packaging.

By concentrating investments on selected branches of the agricultural and food industry over the past 2 years, a certain increase in production capacity has been achieved. Right now, storage and drying facilities for grain and facilities for milk and vegetable fat processing are being expanded, though not without difficulty. Despite a certain ease in tension, last year did not bring any essential improvement to the processing and storage potential of the agricultural and food industry. Transportation deficiencies increased.

The excessive use and rapid deterioration of fixed assets, an excessively long investments cycle, and a slow start on new investment projects are structural barriers to developing this industry.

Apart from shortages of materials and technical defects, one of the reasons for the delays was an inability by food processing plants, which sell a major part of their products as contracted prices, to finance their own development.

The percentage of national outlay allocated to agriculture and the food industry was lower in 1986, and investments activity in the food complex was accompanied by difficulties with contractors and shortages of manpower, materials, and equipment. That is why the government has decided to appoint a special commission to investigate why investments in the chemical and agricultural and food industries were less than planned, so that the resultant conclusions might improve the situation. Greater importance must also be attached to credit facilities designed to encourage investors and contractors to obtain resources to complete the investment process in the food complex.

At the same time, there is an urgent need for the regional administration to be more energetic in creating small food retail outlets, especially bakeries, butcher shops, and fruit and vegetable shops.

Enterprises of the agricultural and food industry must seek foreign credits to develop and to form mixed companies and organizations. This will permit a rise in exports, a faster repayment of loans, and a better stocked domestic market.

The tasks of the Central Annual Plan concerning arable land reclamation were fulfilled, although the commitment of individual voivodships to this task was varied.

Present use of reclaimed land has to be regarded as inconsistent with the state's efforts to build drainage facilities. Water companies often function badly and neglect drainage equipment. Because of delays in gathering grass, farmers are losing considerable amounts of valuable protein every year. It is worse with animal feed. Removing these shortcomings is a simple way of making our agriculture more efficient and one which does not require any outlay.

Agricultural service units, advisory services, centers of agricultural training, the regional administration, and farmers themselves should take part in solving this problem.

The outdated network of electricity generating facilities in rural areas is one of the infrastructure's serious weaknesses. To guarantee an improvement to this situation, the government has adopted an agricultural reelectrification program. It has asked the regional administration to exercise greater concern for the construction of roads and installation of telephones in rural areas.

Market gardening is the most intensive activity of Polish agriculture. Production of fruit and vegetables in 1986 exceeded 8 million tons. Despite the losses suffered by orchards becuase of the latest winter, it is possible to reestablish the lost production potential for these communities. However, this cannot be achieved in the space of 1 year, but in several years. Fruit processing for the domestic market and exports will continue to develop.

The government has already decided to render economic and technical aid to the owners of orchards damaged by frost. The point is to replant lost trees and build more greenhouses. This will be encouraged by tax concessions, preferential credits, and longer period of repayment. Not a single kilogram of fruit may be wasted in the shops and in processing this year. We have every chance of supply the market reasonably well with apples, though we already know there will not be many plums and pears. There will also be less soft fruit. However, production of flowers has not been totally written off. We have established a leading position in Europe concerning some types of flowers. Last year, Polish flowers were exported not only to the USSR and GDR but also to many Western European countries. The production and export possibilities with flowers are still very great, and they should be used better. A flower exchange is needed in Poland.

The meat market has always caused us the greatest market problems and tension. Not until the eighties, when imports of feed collapsed because of Western sanctions and resultant payment difficulties, did we finally realize that problems of animal production are nothing more than a reflection of the situation with plant production. That is why we decided to outweigh animal production by plant production. There is no other logical way.

The results of this policy exceed the forecasts. In 1986, the increase in animal production permitted a consumption of 66 kg of meat for every Pole, in other words 2 kg more than the amount foreseen for the year 1990 in the National Socioeconomic Plan recently adopted by the Sejm. And this level of consumption was possible in a situation where Poland's population was rising considerably. At the same time, exports of meat and livestock, especially horse meat, mutton, and water fowl, rose, particularly to hard currency markets.

However, society does not properly appreciate the fact that there has been a real increase in meat production which exceeds long-term agricultural development programs. The main reason for this is that meat has been relatively cheaper than other products in recent years. Despite price increases, the relationship between the prices of meat and meat products, on the one hand, and those of industrial commodities, on the other, has been changing to the disadvantage of meat. In fact, this applies not just to meat, but to the whole of food, the price of which in state shops rose by an average of 76 percent between 1982 and 1986, whereas the prices of nonfood commodities rose 98.7 percent during the same period. Such a price development must be halted because it causes an inevitable heavy demand for food and makes equilibrium with the food market difficult to consolidate. Apart from this, it diverts us from the desired path of changes in consumption.

Even though agricultural production figures are definitely higher than planned, the economic situation of farms is difficult. The rise in procurement prices and the increased output of agriculture enabled farmers' incomes to rise by 18.7 percent. However, the rise in these incomes was slower than the rise in the costs of agricultural production, which rose 23.6 percent in 1986. This rise in production costs was mainly caused by a rise in the prices of goods and services and greater financial burdens. Consequently, the nominal incomes of the rural population allocated for consumption and investments outside the production sphere rose by 17 percent, which is less than in the state economy, where the rise in income per every state employee was 20.7 percent.

Calculations by the Main Statistical Office have shown that the ratio of average income per employee in private farming to that of an employee in the state sector in 1986 was 9:10.

Against the background of the deteriorating income of agriculture, the government has recently examined a set of variants concerning 1987 agricultural production. Essential economic decisions will be made within the next few days, whereby the procurement price of agricultural produce will be set at a level that guarantees the profitability of all spheres of agricultural output. However, one must say that this consistently energetic prices activity by the state is not and will not be a way of financing excessively expensive, low, and backward production on some farms, whatever sector they belong to. Society cannot pay for production like this.

The year 1986 brought favorable results for foreign trade in agricultural produce and food. Agriculture and the food economy balanced out their foreign trade. There was even a slight trade surplus.

Although the balanced turnover is no doubt a success of our agricultural policy, the equilibrium only amounts to about $1 billion worth of imports and exports, which is not much considering our country's potential and the size of its population. A shortage of processing facilities, packaging, and specialized transportation is still preventing a rise in food exports. Holland, a country considerably smaller than Poland, has a food trade surplus of about $5 billion, exporting $20 billion worth and importing $15 billion worth. This illustrates the chances and possibilities of exports. We will support and develop foreign trade, improving coproduction and commencing joint production and trade undertakings, chiefly with the socialist countries, but also with the capitalist and developing countries. We are actively cooperating with the World Bank.

In accordance with the second economic reform stage, we will form stronger direct links between food producers in Poland and foreign consumers of our goods. We will continue to foster scientific-technological cooperation, mainly with our foreign partners in the socialist countries, but not only there.

In 1986, the population structure of Polish rural areas deteriorated still further. Sixteen percent of family farms were run by people of an advanced age and without any heirs which, coupled with the parceling of farming land, prevented favorable changes to the agricultural structure.

It is necessary to take a close look at the problem of rural depopulation, especially the outflow of young women. Those who leave agriculture should remain living in rural areas, finding employment in services, small-scale production, or rural trade, and supporting the development of the technical and social infrastructure of rural areas and agriculture.

The final measure of the results of agricultural work is the degree to which society's food needs are met. Society assesses agriculture according to the shelves in the shops.

Over the past 4 years, during which our country's population rose by about 1.1 million, consumption of various food commodities per every Pole has risen as follows: meat and meat products by 12.8 percent, milk and milk products by 13.8 percent, butter by 22.6 percent, eggs by 4 percent, vegetable fats by 5.5 percent, and vegetables by 6.5 percent.

Our society's eating habits fully meet the international standards laid down by WHO. This does not mean that everyone eats alike.

The government report that has been presented to the Sejm contains a picture of the achievements, weaknesses, and chief activities of agriculture and the food industry under the complicated conditions. The government is not minimizing the scale of the dangers, difficulties, and real and subjective obstacles. What we are doing is consistently implementing an agricultural policy.

We want to firmly implement the stable and future-oriented PZPR and ZSL agricultural policy, which has proved itself in practice. It is supported by the firm majority of farmers in all sectors of agriculture, and it serves the entire nation well.

An agriculture and food industry that are better supplied with materials and better backed by investments potential are and will remain in a position to fulfill their obligations toward the nation and assure us of food, the basic condition behind our country's successful development.

AGRICULTURE MINISTRY EXAMINES PRICE HIKES

AU081343 Warsaw TRYBUNA LUDU in Polish 3 Jul 87 p 7

[Text] PAP -- The 1 July price hikes for procurement of farm produce and for farm production equipment were discussed against the background of the agricultural situation at the 2 July press conference organized by the Ministry of Agriculture, Forestry, and Food Economy.

It is impossible to flee from the laws of economics, Minister Stanislaw Zieba said. It was necessary to impose new prices on procurement of farm produce procurement because farm production costs, for which agriculture is not responsible, have increased. Minister Zieba explained that the National Union of Farmers and Agricultural Circles and Organizations was in favor of a price hike in excess of the current 20.34 percent increase in procurement prices and asked for the complete elimination of the disparity that has arisen in the past few years between the personal incomes of the rural and urban populations. On the other hand, representatives of farmers and of the ministry were at one on the issue of the actual increase in farm production costs and in the farms' liabilities.

Representatives of the National Union of Farmers and Agricultural Circles and Organizations, of state farms, of agricultural producer cooperatives, and of the ministry agreed on the prices for individual crops and on changes in prices for farm production equipment. Kazimierz Placzkiewicz, head of the Planning and Economy Department of the Ministry of Agriculture, Forestry, and Food Economy, who participated in talks with farmers' representatives, said that the difference between the per capita earnings of farm workers and industrial workers amounted to Z30,000 last year in favor of industrial workers. Present economic solutions seek to gradually eliminate this disparity within the next few years. At the moment the state budget is too poor to be able to fully implement the demands of the farmers' representatives in this regard. The production cost increases, for which farmers are not responsible, have triggered price hikes for farm produce procurement so that the cost of food production in the second half of this year will increase by Z116 billion. This is the amount by which food subsidies will also increase this year.

Professor Augustyn Wos, head of the Institute of Economy, Agriculture, and Food, stressed at the conference that the income situation of farmers in mid-1987 did not fully correspond to the actual increase in farm production in 1986. Profitability has decreased because of the growing gap between the prices for production equipment and the prices farmers obtain for their produce. [paragraph continues]

The most acute threats in this regard occurred in cattle breeding, and the production of milk and sugar beets, a fact that was taken into account when procurement price hikes were introduced as of 1 July. The procurement price of milk increased 22.7 percent, beef livestock 23.3 percent, and beets 34.8 percent. The wheat-rye hybrid and the so-called doubly improved rape were also given preferential treatment in these price hikes.

BARYLA ON FOURTH CENTRAL COMMITTEE PLENUM RESULTS

AU141254 Warsaw ZYCIE PARTII in Polish 30 Jun 87 p 3

[Interview with Jozef Baryla, PZPR Politburo member and Central Committee secretary, by Andrzej Wisniewski: "Triggering Social Militancy"]

[Text] [Wisniewski] Comrade, the Fourth Central Committee Plenum was held a few weeks ago. Although this is not a long period of time, one could perhaps ask how people continue to accept the plenum decisions.

[Baryla] It is too early for an in-depth evaluation, but it can already be stated that the fourth plenum decisions continue to be accepted with great interest and approval not only by an overwhelming majority of party members, but also by nonparty people. This was attested to by the meetings that were held immediately after the plenum by party leaders in plants and communities in various regions of the country, by meetings of primary party organizations devoted to studying the plenum resolution and the ways of implementing it, and by initiatives and activities of primary party organizations and party committees based on the fourth plenum resolution. We can clearly see that invigoration of party work, especially of that performed by primary party organizations, is already visible.

[Wisniewski] How intensive is this invigoration and how aware are party members of the scale of the tasks and challenges of the present times?

[Baryla] Let me first mention that at a recent seminar for voivodship secretaries one of the comrades stressed that during the meeting of primary party organizations in his region people seemed to be tired with discussions and wanted to get down to real work. For clarity's sake let me say at once that open, critical, and constructive discussions are an inalienable feature of party life and an indispensable instrument of political work. Primary party organizations and party committees should be centers of critical and creative discussions pregnant with proposals and novel solutions. But such discussions are valuable only if they are followed by concrete, efficient, and fruitful activities. If we see that primary party organizations want to promote such activities, then we take it as a sign that important changes have occurred in their awareness.

The fourth plenum said much about the nature of these changes and about the need to accelerate them. Above all, the plenum recalled that, beginning with the ninth congress, the party has continued to switch over to the process of profound transformation. The democratization processes of our political and social life, initiated by the ninth congress also continue to transform our party. The changes in our party and the state are based on the broader platform of constitutional changes within the entire socialist community as proved by the deep processes of transformation and accelerated development in the USSR. We also continue to make our contribution toward the universal process of achieving another higher stage of the development of socialism.

We have achieved lasting results in many areas of sociopolitical and economic life, winning increasingly universal social support for the party program. However, we must not be satisfied with these achievements. We must rapidly forge ahead in all areas of life. The third plenum laid down the lines of reforming and modernizing our economy and the fourth plenum indicated how to realize the third plenum resolution on improving our economy. Our key task is to create mechanisms that will trigger social militancy to a greater extent and intensify the effectiveness and attractiveness of socialism. The top directive of the 10th congress program is to make the entire sociopolitical system more efficient.

What we want to achieve is that everyone is aware that Poland has entered a qualitatively new stage of socialist construction based on the need for high economic effectiveness, the achievement of which is impossible without developing socialist democracy. This means that the party has to search for more difficult, democratic forms of leading and guiding the sociopolitical and economic system. As the fourth plenum stressed,this search is not without opposition, lapses, and even errors. The problem is that our practice has still not freed itself from old liabilities, habits, and cliche thinking and acting. Achieving higher effectiveness is mainly a problem of party members' awareness that their attitudes, knowledge, and work always and everywhere determine the party's ability to promote effective, efficient, and rational activities.

There is no doubt that the fourth plenum and the preparations preceding it have been greatly conducive to creating such awareness. This obvious stream of critical and self-critical evaluation of the place of primary party organizations and party member in the community has certainly boosted the awareness of their role in the party and the community, has intensified their sense of duty and responsibility, and has stimulated their resolve to act. At the fourth plenum we most strongly recalled the truth that the effectiveness of the activities of primary party organizations -- activities rooted in the reality of people's life -- determine the image and strength of each primary party organization and that the image and strength of every party organization are determined by the quality of all their members.

The fourth plenum also detailed tasks for party committees in creating a broad front of assistance and inspiration for primary party organizations and mapped out the lines and defined the specific mechanisms of accelerating changes in the style of party work at all levels of activity, of strengthening the role of primary party organizations in the party and in individual communities, and of creating the best possible conditions for primary party organizations to implement the 10th congress resolution in their own areas.

[Wisniewski] What about tasks connected with realizing the plenum decisions? What about the most urgent tasks in this connection?

[Baryla] Comrade, do not expect that we have ready recipes for this. The fourth plenum resolution is so comprehensive that it is possible to use it in detailing tasks, especially for communities and regions. This resolution must be implemented at all levels of activity. It addresses tasks to all party echelons. It must be implemented independently at every level -- from the Central Committee through primary party organizations. Every community has various tasks to accomplish and these tasks are not identical. Every party echelon has to fulfill different duties. While realizing the fourth plenum resolutions, we must always develop and improve ways and forms of implementing them in line with conditions, needs, and action opportunities.

We have no implementation schedules for the fourth plenum resolutions because the plenum decisions are long-term and extend as far ahead as the 11th party congress. Their realization calls for consistent and continued efforts. We must abandon the previously frequent practice when we realized resolutions by sudden spurts of feverish activity. We must learn to follow the principles of ever increasing activity and of ever growing work output from party echelons and members.

The implementation of fourth plenum decisions should be planned by stages. During the first stage -- to the end of this year -- we should implement all temporary and short-term measures and begin implementing long-term measures. Accountability meetings of primary party organizations and plenary meetings of first-grade party committees and delegates, which will be held in line with the statute at the end of 1987 and the beginning of 1988, should be used to implement the fourth plenum decisions, and to evaluate progress of changes in the style of performance of primary party organizations and party committees. We intend to complete reviewing the party's organizational structures and cadres by the end of this year.

The second stage lasting until the National Conference of PZPR Delegates is held will be the principal stage of implementation. In particular, we would like to focus our attention on further improvements in the party's internal life. Increasing party ranks, especially where "blank spots" exist, is a very important task. We want to recruit primarily the best workers, farmers, and young people for the party. Party committees should engage in direct work with those primary party organizations that never recruit anyone. We will intensify party work with 203 large industrial plants and will verify their lists. We will intensify party work in ministries, central offices, and institutions because the process of reform depends to a great extent on party activities in these echelons of administration. We will review the attitudes of managing cadres. The partywide individual talks planned to be carried out prior to the National Conference of PZPR Delegates will be wholly devoted to problems of primary party organizations. An in-depth evaluation of changes taking place in the party since the fourth plenum will be presented to that conference.

During the third stage -- between the National Conference of PZPR Delegates and the 11th party congress -- party committees and organizations will adopt specific implementation plans, which will take into account the appraisals and proposals put forward at the conference.

Naturally, all I do here is to hint at general plans in only some areas directly connected with implementing fourth plenum decisions. Individual primary party organizations and party committees have drawn up and will draw up their own specific implementation plans. As for the Central Committee, all its departments have already drawn up such plans, which are of specific nature and contain tasks connected with providing the necessary conditions to enable first-grade committees and primary party organizations to realize the fourth plenum resolution. Curbing accountability work in favor of direct contacts between the party authorities, the apparatus, and aktivs, on the one hand, and primary party organizations, on the other hand, is one of our important tasks. Another important task is to propagate good original experience in party work. The party press also has much to do in this regard.

Let me make the final and most crucial observation: All activities launched in connection with the fourth plenum should help us to fully realize the 10th congress decisions with regard to strengthening our party.

CEAUSESCU RECEIVES BCP SECRETARY TSANOV IN NEPTUN

AU151839 Bucharest AGERPRES in English 1755 GMT 15 Jul 87

[Text] Bucharest, AGERPRES, 15/7/1987 -- On 15 July, RCP General Secretary Nicolae Ceausescu received Vasil Tsanov, secretary of the CC of the Bulgrian Communist Party, now visiting Romania upon the invitation of the CC of the RCP, at Neptun Resort.

The guest conveyed to President Nicolae Ceausescu and Mme Elena Ceausescu a cordial salute and friendly wishes on behalf of Todor Zhivkov, general secretary of the CC of the BCP, president of the State Council of the People's Republic of Bulgaria.

President Nicolae Ceausecu thanked and addressed Todor Zhivkov a warm salute and best wishes of good health and happiness, as well as progress and prosperity to the friendly Bulgarian people.

During the interview the sides pointed out the good relations of friendship and collaboration extant between the two parties, countries and peoples, which in the spirit of the understandings reached at summit level, witness a continuous development. The sides considered that wide possibilities exist to further expand and diversify these relations in the political, economic, technological, scientific and other domains of activity. In the context the sides pointed out the importance of expanding the Romanian-Bulgarian collaboration in agriculture by means of intensified exchanges of experience, in order to achieve ever richer crops. The sides pointed out that the development of the collaboration between Romania and Bulgaria on multiple planes meets the interest and benefits both countries and peoples, the general cause of socialism and peace in the world.

CEAUSESCU RECEIVES ARGENTINE PRESIDENCY OFFICIAL

AU131933 Bucharest AGERPRES in English 1845 GMT 13 Jul 87

[Text] Bucharest AGERPRES 13/7/1987 -- Romanian President Nicolae Ceausescu received on July 13 Facundo Roberto Suarez, secretary of state to the Presidency of the Republic of Argentina, now visiting Romania.

The guest said he had the mission to hand over to President Nicolae Ceausescu a message from Raul Ricardo Alfonsin, president of the Republic of Argentina and conveyed a warm salute and best wishes as well as the president's wish to expand the Argentine-Romanian collaboration in various domains of activity.

The Romanian head of state thanked and requested that the president of the Republic of Argentina be conveyed a friendly salute and best wishes and the Argentine people wishes of prosperity and progress. President Nicolae Ceausescu assessed that the visit of the Argentine minister would help seeking out new opportunities to expand the mutually advantageous collaboration between Romania and Argentina.

During the talk they highlighted the relations of friendship and collaboration between Romania and Argentina and expressed the wish to see further action taken for their development, especially in economy, in production, in the interest of both countries and peoples, of the cause of international peace and detente.

Some aspects of the world political life were also approached. President Nicolae Ceausescu highlighted that in the current international situation, that remains grave and complex, all forces have to be rallied in order to halt the arms race and pass on to disarmament, nuclear above all, to peacefully settle by negotiations all states of tension and conflict extant in various parts of the world, to eradicate underdevelopment and build a new world economic order.

The guest expressed the special appreciation bestowed by Argentina to the foreign policy promoted by Romania, by President Nicolae Ceausescu, for the constructive settlement in the interests of the people of the major present-day issues, for the building of a better and more just world on our planet.

The interview was attended by Traian Dudas, minister secretary of state with the Ministry of Foreign Trade and International Economic Cooperation. Enrique F. Lupiz, Argentine ambassador in Bucharest, was present.

RCP'S STOIAN, OTHERS MEET SPD DELEGATION

AU091856 Bucharest AGERPRES in English 1801 GMT 9 Jul 87

[Text] Bucharest AGERPRES 9/7/1987 --A delegation of the Social Democratic Party of Germany (SPD) led by Hans Koschnick, member of that party's presidium, chairman of the party's foreign relations commission, paid a visit to Romania over July 5-9.

The delegation included Horst Sielaff, Carl Ewen, deputies, and Klaus Henning Rosen, head of Willy Brandt's Cabinet. The delegation was accompanied by Helmut Hild, former chairman of the Evangelical Church in Hessen-Nassau.

The delegation conducted talks with Ion Stoian, alternate member of the Executive Political Committee, secretary of th CC of the RCP, GNA [Grand National Assembly] Chairman Nicolae Giosan, and Tamara Dobrin, chairman of the Executive Bureau of the National Council of the Socialist Democracy and Unity Front, as well as at the headquarters of the Brasov and Sibiu County RCP Committees, and at the leading department of religious denomination and the Evangelical Church of Romania. [sentence as received]

Questions were approached related to the ties between the Romanian Communist Party and the Social Democratic Party of Germany, between Romania and the FRG, with emphasis on both sides' wish to further develop collaboration betwen the two parties and countries on multiple planes, in the interests of both peoples, of the cause of peace, disarmament, security and cooperation in Europe and the world over.

The delegation also paid visits to economic units and sociocultural establishments where they got in direct touch with the Romanian working people's achievements in socioeconomic progress, in the ensurance of the material base and the democratic framework for the participation of all working people, whatever their nationality or religion, in the management of society, for the achievement of the major rights and liberties, equality and equity of all the country's citizens.

CEAUSESCU CABLES MPR'S BATMONH ON NATIONAL DAY

AU140939 Bucharest SCINTEIA in Romania 11 Jul 87 p 4

[Cable sent by President Nicolae Ceausescu to Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party Central Committee, on the national day of the MPR]

[Text] To Comrade Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the Presidium of the People's Great Hural of the MPR, Ulaanbaatar

On the 66th anniversary of the victory of the Mongolian popular revolution, I want to extend, on behalf of the RCP Central Committee, the State Council of the SR of Romania, the Romanian people, and on my behalf, warm congratulations and best wishes to you, the MPRP Central Committee, the Presidium of the Great People's Hural, and to the friendly Mongolian people.

The Romanian people are following with keen interest in the activity of the working people in Mongolia and sincerely rejoice at the important achievements they attain in the country's socioeconomic development and in building socialism.

I am convinced that the relations of friendship and cooperation at various levels between our parties and countries are increasingly developing and intensifying on the basis of the Treaty of Friendship and Cooperation between the SR of Romania and the MPR to the benefit of our peoples and of the cause of socialism and peace in the world.

On the national day of the MPR we wish you, the Communists, and the friendly Mongolian people increasingly greater successes in implementing the 19th MPRP Congress decisions and in building the socialist society in your homeland.

Nicolae Ceausescu RCP secretary general and president of the SR of Romania

CEAUSESCU CHAIRS PEC MEETING 10 JULY

AU140840 Bucharest SCINTEIA in Romanian 11 Jul 87 p 1

[Text] Comrade Nicolae Ceausescu, RCP secretary general, chaired a meeting of the PEC of the RCP Central Committee on Friday 10 July.

The PEC examined what action has been taken to make up for lags in exports in June and measures aimed at completely fulfilling the export plan for July and for the whole year, and at further perfecting foreign trade activity.

On the basis of reports presented by ministers and deputy prime ministers who are in charge of various economic sectors, the meeting thoroughly examined the activity to make up for June export production lags in the first 10 days of July, as was established during the preceding meeting of the PEC. [paragraph continues]

It was assessed that although a number of positive results have been achieved, relatively little has been done in this direction in some ministries and economic sectors and progress in making up for lags is not up to possibilities and up to the potential of the national economy.

Criticizing this situation, the party secretary general, Comrade Nicolae Ceausescu, requested that firm action be taken to completely make up for the nonfulfilled export production in the coming days and to clarify all problems regarding eleminating such lags and optimally fulfilling the July export production plan, in order to commendably honor all contracts with foreign partners. It was assessed that all necessary conditions exist to fulfill the export plan in the following months and throughout the year, both in terms of our relations with socialist countries and in terms of convertible foreign currencies.

The party secretary general emphasized that it is necessary for the ministries, industrial centrals, and productive enterprises to pay the greatest attention to manufacturing export production on time and to ensuring its high quality and delivery on schedule.

The State Planning Committee and the Ministry of Material-Technical Supply and Control of Fixed Assets were requested to give priority to completely ensuring the raw and auxiliary material base necessary for fulfilling the export production and to systematically pursue, each week, how this base is being ensured in practice in enterprises and central departments, and how the decisions regarding the obligation of economic units to utilize it solely for export production and not for any other purpose are being implemented. All enterprises and industrial central department must give priority to export production! During next week all problems regarding export production for August must be clarified and we must move on to beginning the manufacture of orders for next month! Actually, the export plan must be fulfilled by the 20th of each month and in the last 10 days preparations must be made for the export production for the following month. The productive ministries, the managerial councils in branches, and State Planning Committee -- as a coordinating and chief body of the Supreme Socioeconomic Development Council -- must play a much greater role and must make an increased contribution to improving the activity in the area of foreign trade, both regarding ensuring the material-technical base and fulfilling export production.

Also in connection with improving the export production activity, the PEC -- on the proposal of the party secretary general, Comrade Nicolae Ceausescu -- examined and endorsed certain measures aimed at enhancing the material incentive of working people and of enterprises in fulfilling export production. These measures, which are to complete current regulations on stimulating the fulfillment of export production, are to ensure a greater and direct material incentive for those who manufacture these products. The working collective of enterprises which are fufilling the export plan provisions in terms of convertible currencies are to receive an additional monthly payment of 10 percent, while an additional monthly payment of 5 percent will be received by those who fulfiil the export production plan in terms of our relations with socialist countries in this respect.

The party secretary general emphasized that, along with perfecting the material incentive system, further firm measures have to be taken to strengthen order and discipline in fulfilling the export production plan in order to radically improve activity in this sector. It is necesary to take more determined action to conclude long-term agreements to ensure stability and prospects for both ensuring the material-technical base of export production and for export itself.

Emphasizing that export, foreign trade, and international cooperation are necessary for the proper progress of all activities aimed at implementing the country's socioeconomic development programs, the party secretary general requested that the cadres in the economy, in enterprises, industrial centrals, the working people's councils, and party bodies and organizations should pay the greatest of attention to export, to giving priority to it and fulfilling it under the most favorable conditions, and to fulfilling this important plan indicator for July and for the whole year.

During the meeting Comrade Nicolae Ceausescu presented a report on the working visit of friendship he paid to the PPR on 9 July at the invitation of Comrade Wojciech Jaruzelski, first secretary of the PZPR Central Committe and chairman of the PPR State Council.

The PEC fully endorsed the results of the visit and the talks between Comrades Nicolae Ceausescu an Wojciech Jaruzelski, which took place in an atmosphere of friendship, understanding, and mutual esteem, and assessed that they will give a fresh and vigorous impetus to further strengthening many-sided cooperation between the RCP and PZPR and between the SR of Romania and the PPR. The meeting stressed the particular importance of the understandings reached on this occasion regarding the consistent fulfillment of tasks included in the long-term program of developing mutually advantageous economic cooperation between the two countries, increasing the volume and diversity of trade exchanges, and of increasing, within this framework, the proportion of products manufactured through cooperation and specialization. The meeting also pointed out the importance of fulfilling the cooperation program in the area of science and technology for 1986-90 and of identifying new opportunities to increase the contribution of bilateral scienctific-technological cooperation to solving important problems of the national economies of the two countries.

The PEC emphasized the great significance of the exchange of views Comrade Nicolae Ceausescu and Comrade Wojciech Jaruzelski had inconnection with certain major aspects of the international situation. This exchange of views demonstrated the concordance and identity of opinions on the issues discussed. It was especially emphasized that during their talks the two party and state leaders reaffirmed Romania's and Poland's determination to develop cooperation in the international arena and to contribute more and more actively to the constructive solution of the complex problems facing humanity in the interest of the peoples, and to act, together with the other socialist countries and with progressive and peace-loving forces everywhere, to achieve disarmament, primarily nuclear disarmament, to establish an atmosphere of peace and security, trust, and broad cooperation among all nations in Europe and in the world. Endorsing the results of the visit, the PEC asked the government, the ministries, and the central economic bodies to take all necessary steps to optimally implement the understanding concluded and to commendably achieve the planned cooperation and collaboration ventures which ensure the further strengthening of cooperation between Romania and Poland at a political, economic, scientific-technological, and other levels of common interest to the benefit and for the well-being of the two peoples and of the general cause of socialism and peace.

The PEC also dealt with other questions of the current party and state activity.

INDUSTRIALIZATION 'CHIEF FACTOR OF PROGRESS'

AU151017 Bucharest AGERPRES in English 0853 GMT 15 Jul 87

[Text] Bucharest, AGERPRES. 15/7/1987 -- With a strong growth of the forces of production as the basis for the construction of the multilaterally developed socialist society, Romania gave priority to industrialization as the chief factor of progress. As a result of this unitary long-term policy, industry has not only grown into the leading branch of the national economy but also took the whole society to the road of progress. Romania's industrial production is more than 5.5 times bigger today than in 1965. One indicator relevant for the transformation of industry into the leading branch of the economy that is essential for economic and social development is its contribution to national-income formation: It is 60 percent now, up from 48.9 percent in 1965.

By giving priority to high-technology industries, the Ninth RCP Congress of 1965 laid a durable foundation for a strong national economy. The industries that promote the growth and modernization of the country's productive potential have developed at a high rate over 1965-1986. The production of the machine-building industry increased tenfold, that of electrical and electronics industries -- 13 times; of the chemical industry -- 9.6 times; of the metal industry -- five times; of power engineering -- 4.5 times.

The powerful growth of the industries was paralleled by their modernization on efficiency criteria in order to use domestic resources, to advantage, raise productivity and make the Romanian products more and more competive. Industry developed in all the zones of the country, in some of them at a rate that was higher than the all-country average. To harmonize the development of the forces of production in the territory, the over 2,800 billion lei worth of productive units were carefully distributed by counties where more than 8,500 major economic units grouped in 250 industrial areas and districts were built. Economic restructuring through the promotion of industrial growth shows in the structure of Romanian exports where manufactures now prevail to account for 61 percent of the total.

BRIEFS

CONSTANTA SHIPYARD DEVELOPMENT -- Bucharest AGERPRES 13/7/1987 -- The largest shipyard of Romania, designed so as to build ships with a capacity of 200,000 dwt, operates in Constanta, the country's main port to the Black Sea. A wide range of ships like bulk cargo carriers of 55,000, 65,000 100,000 and 165,000 dwt, oil tankers of 85,000 and 150,000 dwt, ferryboats of 12,000 dwt, floating docks of 10,000 and 20,000 tons, equipment for off-shore drilling have been built so far, all of them according to Romanian design. The performance of Constanta ship-builders owe mainly to the application of the latest technologies in the domain. Sheets are delivered by optically and numerically controlled machines, their abrasive cleaning being made by automatic lines. The use of pre-fab blocks has been extended to the manufacture of ships. The concerns to raise productivity at one of the most important operations -- welding -- led to its mechanization in a proportion of 55 percent, which is to reach 70 percent in 1990. Owing to the ships built in Constanta -- 50 percent of the total tonnage -- the Romanian fleet has seen spectacular growths. So, from 8 ships in 1955 it extended to 32 in 1965 with a displacement of 125,000 dwt, while in 1986 to 229 with a displacement of 4.3 million tons. The Romanian merchant fleet is estimated to stand at 7.5-8 million dwt, and so sea transport is to be fully effected by Romanian ships. [Text] [Bucharest AGERPRES in English 0933 GMT 13 Jul 87 AU]

DIZDAREVIC CONCLUDES TALKS WITH FRG'S GENSCHER

LD151538 Belgrade TANJUG Domestic Service in Serbo-Croatian 1347 GMT 15 Jul 87

[Text] Luebeck, 15 Jul (TANJUG) -- FRG Foreign Minister Hans-Dietrich Genscher and Raif Dizdarevic, federal secretary for foreign affairs, agreed today, after a 2-day working meeting, to further promote bilateral relations and cooperation between the two countries in the international area.

In the third round of talks this morning the two ministers devoted special attention to hotbeds of crisis in the world and agreed on the holding of an international conference on the Middle East.

The two foreign ministers decided that a successful end to the CSCE in Vienna would also create conditions for speedier international action in connection with other issues, such as solving the world's economic crisis.

Acquainting his host with the Nonaligned Movement's activities, which both sides assessed positively, Dizdarevic pointed out that nonaligned countries would in the future attempt to contribute more to solving the world debt crisis.

Genscher paid high tribute to Yugoslavia for its role in the Nonaligned Movement, adding that this assessment referred to Yugoslavia's activity in Europe. Dizdarevic pointed out the mutual responsibility for peaceful development on the Continent.

The federal secretary for foreign affairs said the process of detente and disarmament in Europe should not be limited only to those countries that are bloc members, but should include all countries and extend itself throughout the entire Mediterranean.

Referring to bilateral relations, Dizdarevic pointed out that the Bavarian government decision to introduce discriminatory measures regarding Acquired Immune Deficiency Syndrome against Yugoslavs had been received in Yugoslavia with "justified anger."

Genscher replied that the Bavarian government measures met with criticism in the FRG and, after the meeting with Dizdarevic, he would again talk with Bavarian government representatives about abolishing these measures. The FRG Foreign Minister stressed that in other parts of West Germany such measures would not be introduced against Yugoslavs.

Today, after the third, final round of talks, Dizdarevic visited the old city of Luebeck in northern FRG and signed the golden book at the Town Hall.

Before departing for Yugoslavia, the federal secretary for foreign affairs spoke with Yugoslav journalists and very positively assessed his meetings with Genscher, stressing the readiness of both sides to improve cooperation, particularly economic cooperation.

He also mentioned joint investments in the Yugoslav economy, such as in tourism, long-term production programs, and financial cooperation. In this context the two sides discussed long-term rescheduling of Yugoslav's foreign debts.

Genscher and Dizdarevic discussed cooperation between the two countries in technological areas and positively assessed the Yugoslav work organizations' preparations Eureka program -- the ecological protection projects called Eurotrak and Euromar. According to Dizdarevic, it was agreed that consular consultations between the two ministeries of foreign affairs on the position of Yugoslav workers in the FRG should be intensified. At the end of the talks, the two sides discussed long-term prospects for relations between Yugoslavia and the EEC, in particular preparations for 1992, when the community intends to move from a common to a unified European market, which will demand Yugoslavia do a great deal of work to standardize its products if it wishes to preserve its import position.

FRG Media Reports Talks

For a report on the 14 July meeting in Malente between FRG Foreign Minister Hans-Dietrich Genscher, and SFRY Foreign Affairs Minister Raif Dizdarevic, see the Federal Republic of Germany section of the 15 July issue of the West Europe DAILY REPORT.

CULAFIC, FRG COUNTERPART DISCUSS CRIME PREVENTION

LD152111 Belgrade TANJUG in English 1923 GMT 15 Jul 87

[Text] Zagreb, July 15 (TANJUG) -- The prevention of international terrorism and other forms of organized international crime were the main topics of talks this evening between Yugoslav Interior Secretary Dobroslav Culafic and his counterpart from the Federal Republic of Germany, Friedrich Zimmermann.

The two ministers stated the readiness of their countries' security organs to cooperate in preventing all forms of crimes which are drastically rising and becoming more dangerous throughout the world.

FRG Interior Minister Zimmermann arrived on a working visit to Yugoslavia today.

Agreement was reached during the talks that cooperation between the two departments, which has been assessed as successful, should be further developed in other areas as well.

It was stressed that such cooperation not only contributes to the successful development of overall Yugoslav-West German relations, but that it is also of interest for the international community in which various forms of crimes endangering peace and security are continually growing.

FURTHER COVERAGE OF VISIT BY SUDANESE DELEGATION

Al-Mahdi Meets With Officials

JN141948 Khartoum SUNA in Arabic 1745 GMT 14 Jul 87

[Text] Belgrade, 14 Jul (SUNA) -- Prime Minister al-Sadiq al-Mahdi this afternoon met with Lazar Mojsov, president of the State Presidency, in the presence of both countries' delegations. Talks dealt with bilateral relations and international issues of common interest.

During the meeting both sides expressed their desire to enhance bilateral relations on all levels. The SFRY president expressed his country's appreciation for the developments taking place in Sudan, saying both countries have much regional and international knowledge and experience that can be exchanged. They also discussed the upcoming role of the Nonaligned Movement as a positive factor in developing international peace. They also reviewed the Middle East problems, the Iraq-Iran war, and the situation in Namibia and South Africa. The views of both countries were identical on all issues discussed. Following the meeting the SFRY president held a luncheon banquet in honor of Al-Sadiq al-Mahdi and the accompanying delegation.

Al-Sadiq al-Mahdi, today met with Zarko Papic, director general of the Federal Social Planning Institute. They discussed bilateral economic and trade relations in the presence of Sudanese Trade Minister Dr Ibrahim Hasan 'Abd al-Jalil.

Al-Sadiq al-Mahdi arrived in Belgrade yesterday on a 5-day visit to the SFRY.

Mojsov, Al-Mahdi Hold Talks

LD142035 Belgrade TANJUG in English 1407 GMT 14 Jul 87

[Text] Belgrade, July 14 (TANJUG) -- Yugoslavia and Sudan are very interested in developing mutual relations in all areas of cooperation since more favorable conditions have been created after Al-Sadiq al-Mahdi took over the new Khartoum government last year.

Bearing that assessment in mind, Yugoslav State Presidency President Lazar Mojsov and Sudan Premier al-Sadiq al-Mahdi underscored here today that special opportunities were being created for expanding cooperation in economy, trade and culture as well as cooperation between the two countries' sociopolitical organisations.

Yugoslavia and Sudan are also interested in strengthening cooperation in international relations, especially through the activities of the Non-Aligned Movement, aimed at peacefully resolving the crises and overcoming developing countries' economic problems. In that context, they urged changes in international economic relations for developing countries not to be exploited but treated as an equal partner.

In regard to crisis-affected regions in the world, special attention was devoted to the middle east situation. Urgent political solutions were called for to put out the hotbeds of long-lasting crises. The Non-Aligned Movement's importance in preserving peace and its influence in seeking negotiable rather than forceful ways of resolving world disputes and conflicts were pointed out.

Al-Mahdi Meets With Drulovin

LD142050 Belgrade TANJUG in English 1411 GMT 14 Jul 87

[Text] Belgrade, July 14 (TANJUG) -- Al-Sadiq al-Mahdi, president of the People's party ummah and premier of Sudan, today visited the Federal Conference of the Yugoslav Socialist Alliance (YSA) where he had talks with Milojko Drulovin, the organization's president.

In their friendly and open meeting they exchanged views on the experience gained in the activities of the YSA and the ummah. Al-Sadiq al-Mahdi showed interest in the experience gained in the interal development of Yugoslav society, self-management, etc., underscoring the difference of historical and concrete conditions in one country and the other. Indications were made as to the need for the establishment of cooperation between the Socialist Alliance of the Working People of Yugoslavia (YSA) and the political parties in the ruling coalition of Sudan.

Pointed out at the talks was the significance of the authentic principles of Nonaligned Movement, policy, and activities concerning the solution of political and economic problems in the world.

Foreign Ministers Hold Talks

JN141902 Khartoum SUNA in English 1736 GMT 14 Jul 87

[Text] Belgrade, July 14 (SUNA) -- Foreign Minister Tawfiq Ahmad reviewed here today with his Yugoslav counterpart bilateral relations and regional and international issues of common concern. Following the meeting Tawfiq said in a press statement to (SUNA) that the meeting also touched on the current situation in the non-aligned movement. He added that Sudan and Yugoslavia believe that the Non-Aligned Movement still has a major role in establishing the peace in the world.

Tawfiq speaking on bilateral relations said the two countries agreed to further develop them for the benefit of the two nations. He said discussions also reviewed the situation in the south Sudan and Yugoslavia agreed with Sudan that the peaceful solution is the only solution to the question. He said Yugoslavia could play a role on contacting countries and quarters, which he did not name, involved in the escalation of war in the south.

He added that they also discussed the Third World debts which he said the two countries have agreed on the necessity of solving the problem and pointed out that Yugoslavia could play a major role in this regard.

Economic Protocol Signed

LD142253 Belgrade TANJUG in English 2200 GMT 14 Jul 87

["Pool Item"]

[Text] Belgrade, July 14 (TANJUG) -- Yugoslav-Sudanese economic cooperation is to reach a value of 200 million dollars over the next two years, as envisaged by a protocol on the just ended session of the Interstate Committee for Economic Cooperation of the two countries, signed in Belgrade this evening. The protocol envisages the expansion of economc cooperation between the two countries over the next two years, especially through the engagement of Yugoslav firms in investment construction projects in Sudan in the areas of industry, construction and transport. As agreed, Sudan's payment to Yugoslav firms will be partly through international financing funds and partly through barter deals.

The signing of the protocol was attended also by Yugoslav Premier Branko Mikulic and Sudanese Prime Minister al-Sadiq al-Mahdi, who is on a visit to Belgrade.

MOJSOV, EGYPT'S MUBARAK SPEAK AT DINNER

LD072217 Belgrade TANJUG Domestic Service in Serbo-Croatian 1933 GMT 7 Jul 87

[Text] Belgrade, 7 Jul (TANJUG) -- "Because of all Yugoslavia and Egypt have been through together and what links them on their future path, we accept Egypt and its people as a real friend, and we see meetings such as this as an opportunity to give fresh impetus to our bilateral relations and the mutual deepening of our friendship, to give them new content and to ensure their even deeper meaning."

This was stated today by Lazar Mojsov, president of the SFRY Presidency, at a formal dinner he arranged in honor of Egyptian President Husni Mubarak.

In his toast, Mojsov stressed inter alia that Mubarak's visit is coming immediately prior to the Seventh UN Conference on Trade and Development to be held in Geneva "at a time of exceptionally lively and constructive activity by the nonaligned and developing countries." "Last week Comrade Branko Mikulic, president of the FEC, visited Egypt. The need for dialogue, manifest on this occasion as well, points in the direction of all those signposts that mark out Yugoslav-Egyptian cooperation, indicating the work of its founders, Josip Broz Tito and Jamal 'Abd al-Nasir," Lazar Mojsov added.

Speaking about the traditionally constructive cooperation between the two countries, the continuity of contacts, and the open dialogue that is being realized, Mojsov expressed the conviction that "on the basis of these achievements and also the demands of the present, we will build the future prospects of Yugoslav-Egyptian relations."

The president of the SFRY Presidency stressed that results have already been achieved in certain higher forms of economic cooperation, for example, in the area of industrial cooperation, but that "it is a fact that we can do far more and far better than what has been achieved, because our mutual interest lies precisely in the long-term interrelationship of our economies."

"Last week, in Cairo, specific agreements were achieved in a number of areas of economic cooperation. I anticipate with confidence that our cooperation will in this spirit continue to rapidly increase along the path of the creation of dynamic relations where their complementary nature yields the best fruit," Mojsov added.

"All this, at the present juncture, lends the Yugoslav-Egyptian dialogue a special significance. It is not a question of the specific responsibility of countries among the founders of the policy of nonalignment, because the movement has, with its breadth, its global character, won influence and respect in the world. It is a question of the duty -- on these bases -- to contribute to the maximum possible to guiding the policy of nonalignment, and to the platform of dialogue and cooperation between all countries and nations. Indeed, this is the only possible way -- for all of us together to open up prospects for the solution of the major political and economic problems of the world," Mojsov said.

He added that the negotiations of the great powers on the control of arms and disarmament, the readiness indicated and the initiatives, provide real motivation for qualitatively new encouragements, but that the causes of the world's problems have still not been removed.

"For many years now the region of the Near East has to a certain extent reflected all world's problems, difficulties, and sufferings. The entire Mediterranean basin has been a region where turmoils are confronted by people's efforts to exist, and where foreign aspirations are met by undivided desire for peace and security. In this undestructable entity, the results of the recently held meeting of the nonaligned Mediterranean countries, for example the specific agreements reached on cooperation in a number of areas, have provided a fresh stimulus to the nonaligned countries' future action, and to our efforts toward just and lasting solutions and toward peaceful development. The time has come for the Mediterranean and the Near East regions to make decisive steps along the road pursued by Europe," the Yugoslav president stressed.

Mojsov pointed out that "In line with the movement's standpoints, Yugoslavia has always insisted on the elimination of the real causes behind the crisis in the Near East. In other words, it has insisted on the resolving of the Palestinian problem as the essence of the complex situation in the region." The president of the SFRY Presidency said that Yugoslvaia is actively and constructively analyzing all initiatives and ideas aimed at finding a comprehensive, lasting, and just solution to the crisis. "The idea of an international peace conference on the Near East is increasingly gaining support. At the moment there is no more realistic way of resolving the crisis than a world conference under the United Nations auspices, to be attended by all interested parties, including the PLO as the sole legitimate representative of the Palestinian people," Mojsov stressed.

Lazar Mojsov stressed the need for the nonaligned countries' specific, well-planned, and involved activity in all other regions which constitute parts of the world crisis. "Some of these troublespots are situated within the wider region of the Mediterranean, the Near, and Middle East. There is particular need for involvement in the struggle for new and more just world economic relations, for renewing the North-South dialogue, and for resolving the serious and critical economic and financial problems of the nonaligned and developing countries. In this context I would stress the urgent need for resolving the debt problem in a way that would speed up the development of the debtor-countries," Mojsov said.

"Just like all other vital issues, the struggle for development calls for a dialogue as the sole solution, and for understanding and co-operation as the only way out of the crisis. The Seventh UNCTAD conference will provide yet another opportunity for us to make utmost efforts to ensure that sensible dialogue prevails on a global scale," Lazar Mojsov added.

Concluding his toast, Mojsov expressed firm belief that this visit by Husni Mubarak would be a "new, important, and stimulating step of interest to both countries and to the implementation of the policy of nonalignment."

Replying to the toast, President Mubarak noted that "it has again been affirmed that relations between Egypt and Yugoslavia belong to the present and the future with the same force that was apparent in the past, because they are built on firm foundations and are imbued with lofty principles, great ideals, and common interest."

He added that "31 years have passed since the Brioni Declaration of 1956, with which the first pioneers, Nehru, Tito, and 'Abd an-Nasir brought into being the hopes and strivings of the the Nonaligned Movement, putting before our peoples new challenges in the second half of the 20th century. From that day, Egyptian-Yugoslav friendship has been consolidated in a joint vision of world happenings and events, in the role of the nonaligned countries, in their development, in the aspiration for the protection of the rights of the developing countries to join in the modern technological age and the scientific revolution, in the belief in the need to strengthen the bridge of cooperation and solidarity between Egypt and Yugoslavia, as an example of relations between countries which are working for the same aims."

Stressing that since then these relations have registered a continual ascendency and development, Mubarak recalled the close friendship which tied "your great late leader Tito and Presidents Jamal 'Abd an-Nasir and Anwar al-Sadat."

"This is why I have longed for and striven to preserve and nurture the close dialogue and exchange of views (?with you) on all occasions, and there is no better proof of this than the fact that in the past 5 years we have had five summit meetings," Husni Mubarak said.

Noting the prominent role of President Lazar Mojsov in strengthening the ties between Yugoslavia and Egypt and in promoting joint role in the Nonaligned Movement, Mubarak added that "it is not surprising that Egyptian-Yugoslav relations are following a stable line of ascent, that cooperation takes in all areas: political, military, economic, and cultural, and that each of the two sides gives priority to cooperation with the other side on the basis of a feeling of firm solidarity and awareness of unity of interests."

"Within the framework of our endeavors to increase the overall volume of trade between the two countries, which last year amounted to $226 million, we see open possibilities for increasing the volume of Egyptian exports to Yugoslavia," President Mubarak stressed in his toast.

"In short, our aim is to establish all-embracing fraternity founded on an increase in trade, cooperation, the encouragement of barter deals and the realization of joint projects," the eminent guest explained.

Speaking about international relations, Mubarak said that "the nonaligned movement must play a prominent role in strengthening international efforts being made to limit nuclear arms and halt the arms race. This aim was one of the first that the movement worked at achieving, and the preservation of world peace continues to be its foremost goal, with priority above all else."

Mubarak also called for even greater cooperation between the nonaligned countries, saying that the ministerial meeting of the nonaligned Mediterranean countries held at Brioni last month would provide a considerable contribution to this end.

Drawing attention to the problems affecting developing countries, Mubarak designated the debt problem as being the most important one, to be followed by existing disruptions in the structure of international trade, and by the obstacles that the developed countries are placing before the developing countries and the export of their industrial products.

Husni Mubarak said that he welcomes the beginning of peace negotiations aimed at achieving a comprehensive and lasting solution, during which the conflict would be discussed from all aspects, and the main causes of violence, tension, and extremism in the region would be eliminated. This is what should be done if the legitimate national rights of the Palestinian people and, above all, their right to determination, are to be fulfilled.

"All peaceloving forces agree on the need for an international peace conference to be attended by all parties directly involved in the conflict, including the PLO, and on behalf of the international community, five states, and permanent members of the Security Council." Mubarak said that Egypt is determined to maintain intensive contacts over the next few weeks with all interested parties in order to coordinate views prior to the conference.

"On the other hand, we share your views about the war in the Gulf, which is considered to be a source of danger and destruction not only for the two warring parties but also for the countries in the region, and a threat to international shipping and trade between various continents. We therefore support all efforts made within the framework of the Security Council designed to provide a formula that would bring home to the two sides the absurdity of a continued war, and the escalation of combat operations, and that would also make all other states refrain from supplying the two sides with the means and equipment for continuing and spreading the war," Mubarak said with particular emphasis.

SOKO COAL MINERS STRIKE OVER LOW EARNINGS

LD151758 Belgrade TANJUG Domestic Service in Serbo-Croatian 1539 GMT 15 Jul 87

[Text] Soko Banja 15 Jul (TANJUG) -- Dissatisfied with low personal incomes in the Soko Coal Mine near Soko Banja, a group of 70 miners from the third shift stopped work last night. This morning they were joined by the workers from the first shift, and later, the second shift.

According to Director Vitomir Ilic, the work stoppage in the Soko mine was caused by miners' low earnings. According to July accounts average earnings were 169,000 dinars. In the past 6 months the lowest personal income in this coal mine was 110,000, and the highest 350,000 dinars.

This afternoon representatives of management and self-management organs of the Soko mine held talks with workers about efforts to hamonize the distribution of income with social criteria and legal provisions. Director Vitomir Ilic stressed that coal mining expenses are greatly increasing, while prices are lagging behind, causing discord between production expenses and incomes. Besides, inflation has considerably influenced miners' incomes and exacerbated the economic position of this coal mine. In the past 6 months the Soko mine has produced more than 116,000 tonnes of coal and is one of the most productive mines in Serbia. Special efforts are now being made so that through the reconstruction of production capacities in the pit, conditions will be created for better exploitation of coal, which next year should reach 260,000 tonnes.

KOSOVO LC PROVINCIAL COMMITTEE SESSION 10 JULY

LD102216 Belgrade TANJUG Domestic Service in Serbo-Croatian 0833 GMT 10 Jul 87

[Excerpts] Pristina, 10 Jul (TANJUG) -- The tasks set out in the conclusions of the Ninth LCY Central Committee Session are concrete and clear. The action must be concrete as well. The LCY Central Committee, the LCY as a whole and the broad Yugoslav public do not expect us to verbally vow allegience to these conclusions, but to demonstrate our realistic attitude toward them through our action on their implementation. This is why we must not lose time in meetings or forums, but must take a concrete approach to each problem. The leadership in Kosovo should affirm their effectiveness and creativity by directing, coordinating, encouraging concrete action, and by monitoring the realization of each task, not elaborating on and explaining matters that are clear, but need solutions.

This was underlined by Azem Vlasi, president of the Kosovo LC Provincial Committee Presidium, in his introductory speech at today's session of the Kosovo LC Provincial Committee at which the tasks of the party membership in the province in implementing the conclusions of the LCY Central Committee on Kosovo are being established. Also taking part in the work of the session in Zoran Sokolovic, secretary of the Serbian LC Central Committee Presidium.

What must follow aftert today's session of the Provincial Committee and the adoption of the immediate tasks is concrete action in the real sense, action that will yield results immediately, particularly in areas where the stances of the LCY are not being realized at the desired pace; these are the areas of international relations and the problem of the emigration of Serbs and Montenetgrins, stressed Vlasi.

There must be no excuse or justification for the failure to implement the policy of the LCY or for any kind of violation of equality, irresponsible attitudes and opportunism. From conditions of schooling, employment, the development and affirmation of cultural values and creativity, the equal use of language and script to the creation of conditions for every citizen to feel at every step and every day that he is fully equal, free, secure, protected by the organs of government -- this must be the greatest concern of the LC and other progressive forces; we have the greatest responsibility for this. No one in Kosovo can, or should be, under threat, hindered in the realization of his civil rights and national equality, nor should his position depend on the extent to which he is numerically represented in the overall national structure of the population, said Vlasi.

In this, he added, it is clear that Communists and other progressive forces from the ranks of the Albanian nationality, as the most numerous national group in Kosovo, objectively and realistically have the greatest responsibility.

Although immediately after the counterrevolutionary escalation of Albanian nationalism there was a certain amount of bewilderment, ideological confusion and mistakes among a certain level of the population, it is now quite clear what serious consequences it evoked and the extent of its destructive influence on our overall situation. That is why to remain indifferent today to any form or manifestation of Albanian nationalism in Kosovo and to behave in an opportunistic manner means virtually [words indistinct]. To not contribute to the active struggle against nationalism, and this means to the stabilization of the overall political and security situation and the stabilization of international relations, means to resign oneself to a serious situation which could be tragic.

Vlasi said that important results have been achieved in the struggle against Albanian nationalism and that this should not be underestimated. However, he added, we have no illusions that the danger of Albanian nationalism is any less now than before. We are continuing to live under difficult and complex social and political conditions, conditions of deepening economic crisis. This is characteristic of the situation in the country as a whole, but in Kosovo the consequences of this situation are even more serious.

Despite its changed methods of operation and the blows it has received, Albanian nationalism is adhering to its platform and aims, showing great resilience in persevering along these lines. Its connections, lines, and methods of association both within the country and with centers abroad continue to survive and function; the ability to reproduce and draw new groups into the organized hostile activity should not be underestimated. Intensive support and propaganda from Albania continues.

In the new circumstances that Albanian nationalists are practising tactics of infiltration, they are endeavoring to penetrate undetected into the institutions of our system. Wherever possible they are attempting to inflict a blow against us by means of obstruction, ideleness, poor work, sabotage, incorrect or provocative attitudes toward citizens of all nationalities; they endeavor to compromise the institutions of the system, and to create dissatisfaction and hopelessness among everyone, particularly among the members of the Serbian and Montenegrin nations. All this is grounded in primitivism, petit-bourgeois attitude and destruction of all kinds.

We can also not tolerate Serbian nationalism in Kosovo, Vlasi says, which is now operating in an organized manner in collaboration with circles and centers outside Kosovo. It is true that in Kosovo it does not have the strength nor the real opportunities for more serious destructive activity that Albanian nationalism has, so that proportionately it cannot logically be placed on the same scales, but it should not in any way be underestimated because it also has sinister aims, poisons peoples, creates confusion and causes the deterioration of intranational relations, and plays directly into the hands of the Albanian nationalists.

Serbian nationalists link themselves skillfully together, abuse and manipulate the real problems in the province, particularly the difficulties facing a number of the members of the Serbian and Montenegrin nations. They are increasingly manipulating the problem of the emigration of Serbs and Montengrins from Kosovo, particularly when it is a question of the various forms of pressure, and they themselves in a way encourage the already intensive emigration, in keeping with their well-known slogan "the worse, the better". This is why the Serbian nationalists do not recognize the more successful solutions of the real problems of citizens, because they are losing an important aspect of the grounds and the terrain for their activity.

Secondly, the struggle against Serbian nationalism can only yield real results if it is waged above all by the Serbian LC, and if it is directed against the main centers and environments where the strength of that nationalism is more concentrated, and that, it is clear, is not in Kosovo. [passage omitted]

When it comes to any kind of pressures, frightening people, attacks and danger to their personal safety and properly, and their security, all the institutions of the system must react effectively and firmly and prevent such assaults. [passage omitted]

Either the municipal committees will take measures of responsibility against all those who do not conscientiously carry out their work on the realization of constitutionality and legality as they should, or we in the provincial committee will raise the question of accountability. We will also have to take a similar attitude here to the provincial organs committed to carry out the functions of government.

In the work of the provincial organs there is idleness, irresponsibility poor work, and inefficiency in the implementation of constitutionality and legality, in the resolution of various cases, and issues within their jurisdiction, so much that we will have to conduct a broad and extensive action, right up to essential changes, strengthening, and reinforcement of cadres. [passage omitted]

Turning to the economic situation in Kosovo, Vlasi called for the heightening of accountability, work discipline, rational expenditure, and economical business activity, stressing the importance of income-based pooling and integration with the economy of the whole country. We will continue to take into consideration, Vlasi said, that new economic capacities should be built in areas with a predominant concentration of Serbian and Montenegrin populations, thereby directly preventing emigration, which does not mean the creation of a single-national work organization.

Speaking about the intelligentsia, Azem Vlasi underlined that it is high time that it realized that remaining on the sidelines of the struggle against nationalism, opportunistic, and passive behavior in this situation means allowing the foundations on which the policy and practice of complete national equality are based to come under attack. He noted that a number of intellectuals of Albanian nationality continue to maintain a stubborn silence on Albanian nationalism and keep a section of young people in ideological confusion.

It is not good, he added, that a number of intellectuals from the ranks of the Serbs and Montenegrins display a tendency of rallying on the basis of national division to demonstrate their dissatisfaction with the situation in Kosovo, particularly if they seek allianes and support from well-known nationalistic circles outside kosovo.

Azem Vlasi indicated that accounts would be settled with those LC members who are obsessed with nationalism, who are passive, and who do not contribute to the realization of the policy of the LCY and the stabilization of the situation. This particularly relates to those who work in education, in government organs, and in leaderships in all environments and at all levels. [passage omitted]

In concluson, the president of the Kosovo LC Provincial Committee Presidium turned to the anti-Yugoslav propaganda activity of the leadership of Albania against our country, which, as he said, goes against the historical interests of good-neighborliness, makes our mutual relations even more complex, and has a negative effect on the political-security situation in Kosovo.

We would like to attach the necessary importance to the statements that have been made on various occasions recently by official representatives of Albania, in which stress is placed on interest in good-neighborly relations, on the fact that Albania has never had, nor has territorial pretensions toward Yugoslavia, and that it does not wish to interfere in our internal affairs. However, certain practical actions, above all in propaganda activity against our country, speak of the opposite, Vlasi said, and repeated the well-known Yugoslav principles and desires on which Yugoslav-Albanian relations should be developed. [passage omitted]

SAWPY COMMITTEE CONDEMNS PRESS ATTACKS ON TITO

LD151720 Belgrade TANJUG in English 1617 GMT 15 Jul 87

[Text] Belgrade, July 15 (TANJUG) -- The press committee of the Yugoslav Socialist Alliance -- the largest social-political organization in the country -- today spoke out against negative articles about Josip Broz Tito and his work which have appeared in a number of Yugoslav newspapers.

Denying claims that the defense of Tito and his work amounts to dogmatism, at a session in Belgrade, members of the Yugoslav Socialist Alliance Committee for the Press, Radio and Television stressed that it was in fact a question of the protection of the achievements of the Yugoslav revolution.

For this reason, some of the participants in the discussion pointed out that only by the development of the revolution could the process of detitoization be checked and set out that the sources of attacks on Tito cannot be pinpointed to the press alone.

In recent months, the section of the press which deals with cultural questions, as well as reviews and youth newspapers have published articles in which the founder of new Yugoslavia is subjected to belittlement, insults and unfounded attacks.

A number of participants in the discussion pointed out that the attack on Tito must be viewed also in the framework of growing anti-communism in the world.

Tito's alternative to the Stalinist dogma at the time of the break with the Cominform in 1948 opened the doors to the spreading of socialism in the world. Even today his idea presents a threat to the advocates of the capitalist system. Hence the connection between local Anti-Communists and nationalists with foreign reactionary circles and hostile emigres, the committee members pointed out.

In the conclusion to the discussion, the participants assessed that Tito's work in itself constitutes a defense from attacks on this great historical figure. His work should be studied, not because of idolatry, but to make its presence felt in the functioning of contemporary Yugoslav society. The participants also pointed out that for Yugoslavs Tito and his work represent freedom and independence.

DEFENSE COMMITTEE DISCUSSES BUDGET READJUSTMENT

LD151434 Belgrade TANJUG Domestic Service in Serbo-Croatian 1128 GMT 15 Jul 87

[Text] Belgrade, 15 Jul (TANJUG) -- By the end of this month the FEC will have formulated a proposal to readjust the federal budget. The SFRY assembly is expected to present its views on it in September. This is what FEC member Radovan Makic said today in the National Defense Committee of the SFRY Assembly's Federal Chamber. He stressed that due to a number of difficulties in the way the budget is distributed, the Yugoslav People's Army is one of the country's institutions with the least amount of liquid assets.

An inspection of the federal budget annual statement for last year and a report on the way it was distributed showed that the Yugoslav People's Army did not fare well either.

As a result of a shortfall in the basic tax turnover, the Yugoslav People's Army was denied 809.8 million dinars. Owing to the difference between the estimated national income, used as a basis for determining the amount of funds for the Yugoslav People's Army, and the generated national income (final figures have yet to be established), it is estimated that the Yugoslav People's Army is lacking some 69 billion dinars.

Instead of 5.2 percent of national income, the Yugoslav People's Army last year in fact received only 4.86 percent. The flow of funds remained irregular throughout the year and was at its worst at year end, which had an unfavorable effect on the way the Yugoslav People's Army carried out its tasks, Lieutenant-Colonel-General Nikola Cubra noted. However, even under such circumstances the Yugoslav People's Army recorded an increase in the physical realization of its plan and succeeded in setting aside 4.58 percent more for the development fund than in 1985. After 7 years there was a halt in the fall of real personal incomes in the Army last year.

The rational and economical use of resources has become everyday practice in the Yugoslav People's Army, the delegates agree. Cubra said that as a result, direct savings amounting to 37 billion dinars were made last year while the overall savings, including indirect ones, were considerably higher.

CENTRAL, PROVINCIAL ECONOMIC OFFICIALS MEET 15 JULY

LD151631 Belgrade TANJUG Domestic Service in Serbo-Croatian 1311 GMT 15 Jul 87

[Text] Belgrade, 15 Jul (TANJUG) -- Within the framework of the preparations for a session of the LCY Central Committee Presidium, which will be devoted to the ideopolitical issues of the current economic situation, a meeting was held in Belgrade today of the members of the presidiums of the central and provincial committees responsible for socioeconomic relations and development. The meeting was chaired by Dusan Ckrebic, member of the LCY Central Committee Presidium, and was attended by the members of the Presidium Milanko Renovica and Stefan Korosec, and by Ugljesa Uzelac, executive secretary in the LCY Central Committee Presidium.

It was judged that the economic situation was very exacerbated despite considerable efforts on the part of subjective forces to resolve the problems in current economic activity. High inflation, external and internal illiquidity, a high level of consumption, and difficulties in paying out wages and in the restructuring in the economy were designated as the most serious problems. In addition, there are aggravated circumstances in the social sector, social problems in associated labor and in society, in general. Problems are becoming increasingly serious in many spheres of production, with too much pressure on generated income, which is inadequate for the present volume of consumption. Dissatisfaction is mounting among the working people and the population as a result of growing inflation, the cost of living, and declining real personal income. These problems are particularly evident in the economy and other activities in the Socialist Republics of Montenegro and Macedonia, and in Kosovo.

The need was stressed for heightening the degree of responsibility of all subjective forces and of the LC in particular, for the implementation of the commitments adopted at the 13th LCY Congress and those from the stabilization program. It is necessary to insist on the observance of economic laws and on the measures to strengthen the market, real economic criteria and economic motivation, together with increasing the role of planning.